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ACTIVITIES REPORT

OF THE

COMMITTEE ON VETERANS' AFFAIRS
HOUSE OF REPRESENTATIVES

ONE-HUNDREDTH CONGRESS

FIRST SESSION

Convened January 6, 1987

Adjourned December 22, 1987

SECOND SESSION

Convened January 25, 1988

Adjourned October 22, 1988

DECEMBER 19, 1988.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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* On October 3, 1988, Rep. L. F. Payne of Virginia was appointed to the Committee to replace Rep. Ken Gray, who resigned. Payne assumed Gray's assignment to the Subcommittee on Hospitals and Health Care and was further appointed to the Subcommittee on Compensation, Pension and Insurance.

LETTER OF SUBMITTAL

HOUSE OF REPRESENTATIVES,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC, December 19, 1988.

Hon. DONNALD K. ANDERSON,
Clerk, House of Representatives,
Washington, DC.

DEAR MR. ANDERSON: In accordance with section 118 of the Legislative Reorganization Act of 1970, as amended (Rule XI of the Rules of the House of Representatives), I submit herewith the report of the Committee on Veterans' Affairs setting forth its activities in reviewing and studying the application, administration, and execution of those laws, the subject matter of which is within the jurisdiction of our Committee.

Sincerely,

G.V. (SONNY) MONTGOMERY,
Chairman.

FOREWORD

The 100th Congress was one of the most historic ever for veterans. Legislation was enacted affecting every major program administered by the Veterans' Administration. Among the major provisions enacted: a permanent GI Bill education assistance program for veterans and service personnel; new health care entitlements; significant housing reforms; an 8.3 percent increase in VA compensation benefits; compensation for certain atomic veterans; a new Federal court for veterans to appeal their claims for VA benefits; and a package that strengthens and clarifies veterans' employment programs.

These public laws, as well as the framework for future legislation, were established due to the concern of the Congress and, more important, due to the input and support of the veteran population.

Through hearings in Washington, as well as field hearings and veterans' forums conducted nationwide, the Committee received testimony which enabled it to be more effective in developing responsive and responsible legislation.

Though not under the jurisdiction of the Committee on Veterans' Affairs, legislation to upgrade the Veterans Administration to the 14th Cabinet Department received strong support from members of the Committee and was enacted into law. This change will have a profound impact on the VA's ability to stress its needs to the President and to protect its budget. Further, the White House, in its Cabinet meetings, will now have the advantage of direct accesss to a valuable national resource—in medicine, in education, in housing, etc.—as it sets national policies.

Special thanks are in order for my distinguished colleagues who guided and developed the key measures of the 100th Congress from thought to implementation. I could not have asked for better cooperation nor more energetic efforts from the Committee members, especially our subcommittee chairmen—Hon. Douglas Applegate, chairman, Subcommittee on Compensation, Pension and Insurance; Hon. Wayne Dowdy, chairman, Subcommittee on Education, Training and Employment; Hon. Lane Evans, chairman, Subcommittee on Oversight and Investigations; and Hon. Marcy Kaptur, chairwoman, Subcommittee on Housing and Memorial Affairs.

My deep appreciation also goes to Hon. Gerald Solomon, the ranking minority member of the Committee, and the ranking minority members of the subcommittees—Hon. John Paul Hammerschmidt, Hon. Bob McEwen, Hon. Christopher H. Smith, Hon. Bob Stump, and Hon. Dan Burton—for their care in helping to sustain and strengthen the nonpartisan atmosphere of the Committee's work. I am grateful for the opportunity of working so closely with such concerned and dedicated individuals.

I am most appreciative of the leadership of my colleagues on the Government Operations Committee—Chairman Jack Brooks and Hon. Frank Horton, ranking minority member—and on the Senate Governmental Affairs Committee—Senator John Glenn, Chairman, and Senator William Roth, ranking minority member—for the instrumental roles they played in effecting the establishment of our newest Cabinet department.

Special thanks are also due Hon. Edward Boland, Chairman of the Appropriations Subcommittee on HUD-Independent Agencies, Hon. Bill Green, the Subcommittee ranking minority member, Budget Committee Chairman Bill Gray and Hon. Delbert Latta, the Committee ranking minority member, for their work to ensure that our veterans' programs are properly funded. These gentlemen have shown time and again that they are true friends of veterans.

I deeply appreciate the leadership and cooperation of Senators Alan Cranston and Frank Murkowski, the Chairman and ranking minority member of the Senate Veterans' Affairs Committee, and other members of the Committee who have contributed greatly to the close working relationship the two committees have enjoyed over the years.

Finally, I want to thank the staff for their hard work and dedication to our Nation's veterans and their families.

The past 2 years have been landmark years for veterans. We strengthened many ongoing programs and developed far-reaching and responsible new ones.

As one leading veterans' advocate stated: "Not since the GI Bill of Rights immediately following World War II have I ever seen such a prolific concentration of veterans' legislation addressed and approved by a single Congress."

If we proved anything during the 100th Congress, it is this: Congress is listening to veterans and their families, and we are responding.

G.V. (SONNY) MONTGOMERY,
Chairman.

CONTENTS

	Page
Jurisdiction of the House Committee on Veterans' Affairs	1
Committee rules of procedure	2
Activities under jurisdiction of the committee as administered by:	
The Veterans' Administration:	
Scope of operations	7
Compensation and pension	8
Education and training	8
Medical care	9
Medical research	9
Home loan assistance	10
Insurance	10
National cemeteries	10
VA personnel	10
The Department of Labor:	
Job Service	11
Disabled Veterans' Outreach Program	11
Training Programs	12
Veterans' Job Training Act	12
Targeted Jobs Tax Credit	12
Unemployment Compensation for Ex-servicemembers	12
Reemployment Rights	12
Veterans Affirmative Action	12
American Battle Monuments Commission	12
Messages from the President and Executive Communications	14
Summary of Veterans' Affairs Committee action	21
Hearings and Executive Sessions	22
Legislation enacted into law:	
Public Law 100-48	33
Public Law 100-136	35
Public Law 100-198	36
Public Law 100-227	38
Public Law 100-253	42
Public Law 100-321	43
Public Law 100-322	44
Public Law 100-323	53
Public Law 100-687	56
Public Law 100-689	66
Activities of the subcommittees:	
Subcommittee on Hospitals and Health Care	69
Subcommittee on Compensation, Pension and Insurance	75
Subcommittee on Education, Training and Employment	78
Subcommittee on Oversight and Investigations	83
Subcommittee on Housing and Memorial Affairs	104
Foreign travel	111
Other activities of the committee:	
Report on the budget for fiscal year 1988	115
Report on the budget for fiscal year 1989	116
Statistics pertaining to veterans of all wars and conflicts since 1775: Number of participants and deaths in service during all wars and number of living veterans	117

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100TH CONGRESS *2d Session* | HOUSE OF REPRESENTATIVES | REPORT 100-1110

ACTIVITIES OF THE COMMITTEE ON VETERANS' AFFAIRS FOR THE 100TH CONGRESS

DECEMBER 19, 1988.—Committed to the Committee of the Whole House on the State of the Union and Ordered to be printed

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Mr. MONTGOMERY, from the Committee on Veterans' Affairs, submitted the following

REPORT

PROVISION OF THE RULES OF THE HOUSE OF REPRESENTATIVES APPLICABLE TO COMMITTEE ACTIVITIES—JURISDICTION OF THE HOUSE COMMITTEE ON VETERANS' AFFAIRS

RULE X

HOUSE RULES ON JURISDICTION

Rule X of the Rules of the House of Representatives established the standing committees of the House and their jurisdiction. Under that rule, all bills, resolutions, and other matters relating to the subjects within the jurisdiction of any standing committee shall be referred to such committee. Rule X.1.(u) establishes the jurisdiction of the Committee on Veterans' Affairs as follows:

(1) Veterans' measures generally.

(2) Cemeteries of the United States in which veterans of any war or conflict are or may be buried, whether in the United States or abroad, except cemeteries administered by the Secretary of the Interior.

(3) Compensation, vocational rehabilitation, and education of veterans.

(4) Life insurance issued by the Government on account of service in the Armed Forces.

(5) Pensions of all the wars of the United States, general and special.
(6) Readjustment of servicemen to civil life.
(7) Soldiers' and sailors' civil relief.
(8) Veterans' hospitals, medical care, and treatment of veterans.

This committee was established January 2, 1947, as a part of the Legislative Reorganization Act of 1946 (60 Stat. 812), and was vested with jurisdiction formerly exercised by the Committee on World War Veterans' Legislation (VII, 2077); Invalid Pensions (IV, 4258); and Pensions (IV, 4260). Jurisdiction over veterans' cemeteries administered by the Department of Defense was transferred from the Committee on Interior and Insular Affairs on October 20, 1967, by H. Res. 241, 90th Cong. Vocational rehabilitation, except that pertaining to veterans, is under the jurisdiction of the Committee on Education and Labor. The committee has jurisdiction over bills to amend the Soldiers and Sailors Civil Relief Act of 1940 to permit certain declarations of fact in lieu of affidavits (Feb. 4, 1959, p. 1812), and over bills to amend the Servicemen's and Veterans' Survivor Benefits Act re service-connected deaths of retired members of the uniformed services (May 18, 1959, p. 8273).

Committee Rules of Procedure of the 100th Congress

ADOPTED JANUARY 29, 1987

Rule I—General Provisions

The Rules of the House are the rules of the committee and subcommittees so far as applicable, except that a motion to recess from day to day is a motion of high privilege in committees and subcommittees. Each subcommittee of the committee is a part of the committee, and is subject to the authority and direction of the committee and to its rules so far as applicable.

Rule II—Meetings

(a) The regular meeting day for the full committee shall be at 10 a.m. on the second Tuesday of each month, and at such other times and in such places as the chairman may designate; however, a regular Tuesday meeting of the committee may be dispensed with by the chairman.
(b) The chairman may call and convene, as he considers necessary, additional meetings of the committee for the consideration of any bill or resolution pending before the committee or for the conduct of other committee business. The committee shall meet for such purpose pursuant to the call of the chairman.
(c)(1) Each meeting for the transaction of business, including the markup of legislation, of the committee or each subcommittee thereto shall be open to the public except when the committee or subcommittee, in open session and with a quorum present, determines by roll call vote that all or part of the remainder of the meeting on that day shall be closed to the public: *Provided, however,* That no person other than members of the committee and such congressional staff and such departmental representatives as they may authorize shall be present at any business or markup session which has been closed to the public. This paragraph does not

apply to subparagraph (2) of this paragraph, or to any meeting that relates solely to internal budget or personnel matters.

(2) Each hearing conducted by the committee or each subcommittee thereof shall be open to the public except when the committee or subcommittee, in open session and with a quorum present, determines by roll call vote that all or part of the remainder of that hearing on that day shall be closed to the public because disclosure of testimony, evidence, or other matters to be considered would endanger the national security or would violate any law or rule of the House of Representatives: *Provided, however,* That the committee or subcommittee may by the same procedure vote to close one subsequent day of hearing.

Rule III—Records and Rollcalls

There shall be kept in writing a record of the proceedings of the committee and of each subcommittee, including a record of the votes on any question on which a roll call is demanded. The result of each such roll call vote shall be made available by the committee for inspection by the public at reasonable times in the offices of the committee. Information so available for public inspection shall include a description of the amendment, motion, order or other proposition and the name of each member voting for and each member voting against such amendment, motion, order, or proposition, and the names of those members present but not voting. A record vote may be demanded by one-fifth of the members present or, in the apparent absence of a quorum, by any one member. With respect to each record vote by the committee to report any bill or resolution, the total number of votes cast for and the total number of votes cast against the reporting of such bill or such resolution shall be included in the committee report.

Rule IV—Quorums

A majority of the members of the committee shall constitute a quorum of the committee for business and a majority of the members of any subcommittee shall constitute a quorum thereof for business: *Provided,* That any two members shall constitute a quorum for the purpose of taking testimony and receiving evidence.

Rule V—Hearing Procedures

(a) The chairman, in the case of hearings to be conducted by the committee, and the appropriate subcommittee chairman, in the case of hearings to be conducted by a subcommittee, shall make public announcement of the date, place, and subject matter of any hearing to be conducted on any measure or matter at least one week before the commencement of that hearing unless the committee determines that there is good cause to begin such hearing at an earlier date. In the latter event, the chairman or the subcommittee chairman, whichever the case may be, shall make such public announcement at the earliest possible date. The clerk of the committee shall promptly notify the Daily Clerk of the Congressional Record as soon as possible after such public announcement is made.

(b) So far as practicable, each witness who is to appear before the committee or a subcommittee shall file with the clerk of the com-

mittee, at least 48 hours in advance of his or her appearance, a written statement of his or her proposed testimony and shall limit his or her oral presentation to a summary of the statement.

(c) When any hearing is conducted by the committee or any subcommittee upon any measure or matter, the minority party members on the committee shall be entitled, upon request to the chairman of a majority of those minority members before the completion of such hearing, to call such witnesses selected by the minority to testify with respect to that measure or matter during at least one day of hearing thereon.

(d) All other members of the committee may have the privilege of sitting with any subcommittee during its hearing or deliberations and may participate in such hearings or deliberations but no such member who is not a member of the subcommittee shall vote on any matter before such subcommittee.

(c) Committee members may question witnesses only when they have been recognized by the chairman for that purpose, and only for a 5-minute period until all members present have had an opportunity to question a witness. The 5-minute period for questioning a witness by any one member can be extended only with the unanimous consent of all members present. The questioning of witnesses in both full and subcommittee hearings shall be initiated by the chairman, followed by the ranking minority party member and all other members alternating between the majority and minority. In recognizing members to question witnesses in this fashion, the chairman shall take into consideration the ratio of the majority to minority members present and shall establish the order of recognition for questioning in such a manner as not to disadvantage the members of the majority.

Rule VI—Oversight

(a) In order to assist the House in:

(1) its analysis, appraisal, evaluation of (A) the application, administration, execution, and effectiveness of the laws enacted by the Congress, or (B) conditions and circumstances which may indicate the necessity or desirability of enacting new or additional legislation, and

(2) its formulation, consideration and enactment of such modifications or changes in those laws, and of such additional legislation, as may be necessary or appropriate, the various subcommittees, consistent with their jurisdiction as set forth in Rule VIII, shall have oversight responsibilities as provided in paragraph (b).

(b) Each subcommittee shall review and study, on a continuing basis, the applications, administration, execution, and effectiveness of those laws, or parts of laws, the subject matter of which is within the jurisdiction of that subcommittee, and the organization and operation of the Federal agencies and entities having responsibilities in or for the administration and execution thereof, in order to determine whether such laws and the programs thereunder are being implemented and carried out in accordance with the intent of the Congress and whether such programs should be continued, curtailed, or eliminated.

In addition, each such subcommittee shall review and study any conditions or circumstances which may indicate the necessity or desirability of enacting new or additional legislation within the jurisdiction of that subcommittee (whether or not any bill or resolution has been introduced with respect thereto), and shall on a continuing basis undertake future research and forecasting on matters within the jurisdiction of that subcommittee.

(c) Each subcommittee shall review and study on a continuing basis the impact or probable impact of tax policies affecting subjects within its jurisdictions.

Rule VII—Broadcasting of Committee Hearings

Broadcasting, either by radio or TV of all open committee hearings and meetings shall be permitted when, in the judgment of the chairman, in consultation with the ranking minority member, such action is warranted. Photographs shall be permitted during hearings of the full committee and subcommittees as the chairman decides.

All coverage shall be subject to the following provisions:

(1) If the television or radio coverage of the hearing or meeting is to be presented to the public as live coverage, that coverage shall be conducted and presented without commercial sponsorship.

(2) No witness served with a subpoena by the committee shall be required against his or her will to be photographed at any hearing or to give evidence or testimony while the broadcasting of that hearing, by radio or television, is being conducted. At the request of any such witness who does not wish to be subjected to radio, television or still photography coverage, all lenses shall be covered and all microphones used for coverage turned off.

(3) Not more than four television cameras, operating from fixed positions, shall be permitted in a hearing or meeting room. The allocation among the television media of the positions of the number of television cameras permitted in a hearing or meeting room shall be in accordance with fair and equitable procedures devised by the Executive Committee of the Radio and Television Correspondents' Galleries.

(4) Television cameras shall be placed so as not to obstruct in any way the space between any witness giving evidence or testimony and any member of the committee or the visibility of that witness and that member to each other.

(5) Television cameras shall not be placed in positions which obstruct unnecessarily the coverage of the hearing or meeting by other media.

(6) Equipment necessary for coverage by the television and radio media shall not be installed in, or removed from, the hearing or meeting room while the committee is in session.

(7) Floodlights, spotlights, strobelights, and flashguns shall not be used in providing any method of coverage of the hearing or meeting, except that the television media may install additional lighting in the hearing or meeting room, without cost to the Government, in order to raise the ambient lighting level in the hearing or meeting room to the lowest level necessary to

provide adequate television coverage of the hearing or meeting at the then current state of the art of television coverage.

(8) Not more than five press photographers shall be permitted to cover a hearing or meeting by still photography. In the selection of these photographers, preference shall be given to photographers from Associated Press Photos and United Press International Newspictures. If request is made by more than five of the media for coverage of the hearing or meeting by still photography, that coverage shall be made on the basis of a fair and equitable pool arrangement devised by the Standing Committee of Press Photographers.

(9) Photographers shall not position themselves, at any time during the course of the hearing or meeting, between the witness table and the members of the committee.

(10) Photographers shall not place themselves in positions which obstruct unnecessarily the coverage of the hearing by the other media.

(11) Personnel providing coverage by the television and radio media shall be then currently accredited to the Radio and Television Correspondents' Galleries.

(12) Personnel providing coverage by still photography shall be then currently accredited to the Press Photographers' Gallery.

(13) Personnel providing coverage by the television and radio media and by still photography shall conduct themselves and their coverage activities in an orderly and unobtrusive manner.

Rule VIII—Number and Jurisdiction of Subcommittees

(a) There shall be five standing subcommittees as follows: Oversight and Investigations; Hospitals and Health Care; Education, Training and Employment; Compensation, Pension and Insurance; and Housing and Memorial Affairs. All proposed legislation and other matters related to the subcommittees listed under standing subcommittees named below shall be referred to such subcommittees, respectively.

Oversight and Investigations: Investigative authority over matters that are referred to the subcommittee by the chairman of the full committee for investigation and appropriate recommendations.

Hospitals and Health Care: Veterans' hospitals, medical care, and treatment of veterans.

Education, Training and Employment: Education of veterans, vocational rehabilitation, and readjustment of servicemen to civilian life.

Compensation, Pension and Insurance: Compensation, pensions of all the wars of the United States, general and special, and life insurance issued by the Government on account of service in the Armed Forces.

Housing and Memorial Affairs: Veterans' housing programs, and cemeteries of the United States in which veterans of any war or conflict are or may be buried, whether in the United States or abroad (except cemeteries administered by the Secretary of the Interior) and burial benefits.

(b) The chairman and the ranking minority member shall serve as ex-officio members of all subcommittees and shall have the right to vote on all matters before the subcommittee.

Rule IX—Powers and Duties of Subcommittees

(a) Each subcommittee is authorized to meet, hold hearings, receive evidence, and report to the full committee on all matters referred to it or under its jurisdiction. Subcommittee chairmen shall set dates for hearings and meetings of their respective subcommittees after consultation with the chairman and other subcommittee chairmen with a view toward avoiding simultaneous scheduling of full committee and subcommittee meetings or hearings wherever possible.

(b) Whenever a subcommittee has ordered a bill, resolution, or other matter to be reported to the committee, the chairman of the subcommittee reporting the bill, resolution, or matter to the full committee, or any member authorized by the subcommittee to do so, may report such bill, resolution, or matter to the committee. It shall be the duty of the chairman of the subcommittee to report or cause to be reported promptly such bill, resolution, or matter, and to take or cause to be taken the necessary steps to bring such bill, resolution, or matter to a vote.

(c) In any event, the report of any subcommittee on a measure which has been approved by the subcommittee shall be filed within seven calendar days (exclusive of days on which the House is not in session) after the day on which there has been filed with the clerk of the committee a written request, signed by a majority of the members of the subcommittee, for the reporting of that measure. Upon the filing of any request, the clerk of the committee shall transmit immediately to the chairman of the subcommittee notice of the filing of that request.

ACTIVITIES UNDER THE JURISDICTION OF THE COMMITTEE AS ADMINISTERED BY THE VETERANS' ADMINISTRATION

The Veterans' Administration was established July 21, 1930, to bring together under a single agency responsibility for providing Federal benefits to veterans and their dependents. Paralleling the vast increase in the number of veterans over the last 58 years, the VA has grown dramatically and is now the Federal government's largest independent agency.

The present veteran population of 27.3 million is almost six times the 4.7 million veterans living in America in the VA's founding year. War veterans living today account for 56 percent of all Americans who ever served in war during our more than two-century history. Eighty of every 100 living veterans served during defined periods of armed hostilities.

Altogether, almost one-third of the nation's population—approximately 80 million persons who are veterans, dependents and survivors of deceased veterans—are potentially eligible for VA benefits and services.

Care for veterans and dependents spans centuries. The last dependent of a Revolutionary War veteran died in 1911; the War of 1812's last dependent died 42 years ago; the Mexican War's in 1962. There are widows and children of Civil War and Indian War veterans who still draw VA benefits. As of July 15, 1988, there was one living veteran of the Spanish-American War—Nathan E. Cook of Tempe, Arizona. There are over 4,300 children and widows of that war receiving VA compensation or pension benefits.

Through September 30, 1987, the VA and its predecessor agencies have spent $515 billion for benefits and services to veterans, their dependents and survivors. The fiscal 1989 VA budget is $28.8 billion in budget authority.

Some 57 percent of VA's 1988 outlays went for direct benefits such as compensation, pension and education checks; 38 percent of the budget is for hospital and medical care; 2.1 percent for hospital, national cemetery and other construction programs; and 3 percent for general operating expenses.

Today, the VA is providing the most comprehensive and diverse benefits programs in its history to veterans and dependents.

COMPENSATION AND PENSION

There are 2.8 million veterans receiving disability compensation or pension payments from the VA. Some 1.02 million widows, children and parents of deceased veterans are being paid survivor compensation or death pension benefits. Among them are 119,089 survivors of Vietnam Era veterans.

VA disability and death compensation and pension expenditures are budgeted at $16.02 billion for fiscal year 1989.

EDUCATION AND TRAINING

From 1944, when the first GI Bill became law, to March 1987, a total of 18.4 million beneficiaries have received GI Bill education and training. This includes 7.8 million World War II veterans, 2.4 million Korean Conflict veterans, and 8.2 million Post-Korean and Vietnam Era veterans and active duty service personnel.

Some 8.4 million veterans attended college under the GI Bill and 9.9 million received technical, farm and other training.

Proportionally, Vietnam Era veterans have been the greatest participants in GI Bill training. About 76 percent of those eligible have taken training, compared with 50.5 percent for World War II veterans and 43.4 percent for Korean veterans.

The VA has also assisted in the education of nearly 500,000 sons, daughters, widows or wives of veterans whose deaths or permanent and total disabilities were service-connected.

Active duty service persons contributing to the Montgomery GI Bill for later benefits, from June 30, 1985 to September 30, 1987, totaled 394,058, or 61.7 percent of the total eligible.

Through March 1987, the cost of educational benefits has totaled $63 billion, or $27 billion more than the United States spent to fight World War I.

MEDICAL CARE

Perhaps the most visible of all VA benefits and services is VA's health care system, the largest in the nation.

From 54 hospitals in 1930, the VA hospital system has grown to include 172 medical centers, 231 outpatient clinics, 117 nursing home care units and 17 domiciliaries. VA health care facilities provide a broad spectrum of medical, surgical and rehabilitative care.

VA operates at least one medical center in each of the 48 contiguous States, Puerto Rico and the District of Columbia. With 76,000 beds, the medical centers annually treat 1.3 million veterans. The VA's outpatient clinics register more than 20 million visits a year. VA nursing homes and domiciliaries care for 39,000 veterans a year.

In 1987, the medical care system employed more than 12,000 physicians; some 60,000 registered nurses, licensed practical nurses and nursing assistants; and approximately 140,000 other dedicated health-care specialists and personnel who staff VA medical facilities nationwide.

Some 134 medical centers are affiliated with 103 medical schools. Seventy-two medical centers are affiliated with 59 dental schools. One hundred fifty-five VA medical centers are affiliated with 441 schools of nursing and 808 schools for various allied health professions.

Since 1979, the VA has operated a nationwide system of Vietnam Veteran Outreach Centers (Vet Centers) which provide readjustment counseling services to Vietnam-Era veterans. Currently, there are 194 of these centers around the country. More than 500,000 veterans and 150,000 family members have visited Vet Centers and have received counseling for a variety of problems including employment, marital and post-traumatic stress disorder.

Indispensable to providing America's veterans with quality medical care are the 83,667 members of the VA's Voluntary Service. These civic-minded individuals donate more than 12.3 million hours of service each year to bring companionship and additional care to hospitalized veterans.

MEDICAL RESEARCH

While providing high quality health care to the nation's veterans, VA also conducts an array of research activities concentrating on some of the most difficult research challenges facing medical science today.

VA's research accomplishments benefit not only veteran patients but also contribute to medical science as a whole. VA researchers have played key roles in eradicating tuberculosis, developing the heart pacemaker and the Computerized Axial Tomographic (CT) scan, and improving artificial limbs for amputees. The first heart transplant was performed at a VA medical facility. VA contributions to medical knowledge have won VA scientists many prestigious awards, including the Nobel Prize.

A world leader in the care and treatment of the elderly, VA is deeply involved in studies of the aging process, including Alzheimer's disease. Other high priority research subjects include AIDS, alcoholism, schizophrenia, spinal-cord injury and tissue regenera-

tion, post-traumatic stress disorder, Agent Orange exposure, and health problems of women veterans and former prisoners of war.

HOME LOAN ASSISTANCE

The VA's 44-year-old loan guaranty program has benefited some 13.2 million veterans and their dependents. From 1944, when this program was established as part of the original GI Bill, through September 1987, VA home loan guarantees have totaled $300 billion. In addition, the VA has made 333,000 direct loans valued at $3.4 billion. In Fiscal Year 1987, VA guaranteed 479,491 loans valued at $34.9 billion and assisted 382 disabled veterans with grants totaling $13 million for specially adapted housing.

INSURANCE

The VA operates one of the largest life insurance programs in the world. In 1987, the VA administered and supervised $213 billion in life insurance policies for 7.4 million veterans and military personnel. The 1988 GI life insurance dividend returned a record $960.3 million to policyholders—$25.4 million more than the previous year.

NATIONAL CEMETERIES

Since 1973, when the VA took over the National Cemetery System, 8 new national cemeteries have been established and another has been approved for northern California.

Today, the National Cemetery System is composed of 112 operating cemeteries in 38 States and Puerto Rico. Of these, 66 are open to new interments. Total acreage in the system has increased from 4,000 acres to the present 9,900 acres. Interments are expected to increase from 53,665 in FY 1987 to 80,000 in the year 2000.

The VA also provides over 250,000 headstones or markers each year to mark the graves of veterans buried in private and national cemeteries.

VA PERSONNEL

As of May 31, 1988, there were 244,711 employees on the VA rolls in a pay status. Among all departments and agencies of the Federal government, only the Department of Defense has a larger work force. One out of every 8 employees of the Federal government's full-time permanent work force is employed by the VA.

Of the total VA employees, 224,931 were in the Department of Medicine and Surgery; 12,786 in the Department of Veterans Benefits; and 1,413 in the Department of Memorial Affairs. The rest, 5,581 employees, were in the various staff offices.

THE DEPARTMENT OF LABOR

EMPLOYMENT AND TRAINING SERVICES FOR VETERANS

The Department of Labor (DOL) is involved in a variety of measures to make certain no veteran who wants to work goes without a job or the training and assistance needed to get that job. There is special emphasis on assisting disabled veterans and veterans of the Vietnam era.

The Assistant Secretary for Veterans' Employment and Training is the principal advisor to the Secretary on all DOL policies and programs to meet the employment and training needs of veterans. Serving as the focal point for the department's veteran-related programs, OASVET administers laws, confers with and advises Congress, develops policies and programs and provides technical assistance to DOL components, other agencies and groups.

The field staff of the Veterans' Employment and Training Service (VETS) is a nationwide network of Regional, State and Assistant State Directors. There is at least one VETS representative stationed in every State and in Labor Department Regional Offices (in Boston, Philadelphia, Atlanta, Chicago, Dallas, New York, Denver, Seattle, Kansas City, and San Francisco). They supervise and provide technical assistance to State Job Service offices to ensure that legislatively-required priority for services such as counseling, referral and placement are provided to veterans. Job development efforts are carried out by VETS staff with employers, labor unions and veteran and community organizations. VETS staff promote participation of veterans and supervise the planning and operation of programs as they relate to veterans.

Employment-related services designed to aid veterans include counseling, testing, and skills training; unemployment compensation for newly separated ex-servicemembers while they look for civilian employment; tax credits for private employers who hire certain target groups of veterans; placement in private and public sector jobs, and reemployment rights assistance.

Job Service.—The public Job Service offices across the country provide veterans with priority in counseling, aptitude testing, job development, referral and placement in job openings. All Job Service offices have at least one specially trained Local Veterans' Employment Representative (LVER) who works directly with veterans.

Disabled Veterans' Outreach Program (DVOP).—Located in most Job Service offices, the program is staffed by veterans who provide special assistance to other veterans and help them obtain the employment and training services. The DVOP staff develop networks of employer contacts and work with community groups and veteran organizations in their efforts to find jobs for their clients. Unique to this program is the emphasis to seek out and help disabled and Vietnam-era veterans.

Training Programs.—The Department of Labor is the lead agency for ensuring the effective implementation of all national employment and training programs. The Job Training Partnership Act (JTPA) requires establishment of veterans' employment programs administered by the Office of the Assistant Secretary for Veterans' Employment and Training. Additionally, JTPA-funded

programs at the State and local levels may also provide opportunities for eligible veterans. For specific information, veterans should contact a Job Service or Veterans' Employment and Training Service office listed under the U.S. Department of Labor.

Veterans' Job Training Act (VJTA)—Provides for reimbursement to employers of one-half the salary up to $10,000 for each longterm unemployed Korean conflict or Vietnam-era veteran hired to enter an approved on-the-job training position. This program is jointly administered by the Department of Labor and the Veterans' Administration. Veterans and employers may obtain detailed information regarding the application and certification process by contacting any Job Service, Veterans' Adminstration, or VETS office.

Targeted Jobs Tax Credit (TJTC).—The purpose of this tax credit program is to hire certain target groups of workers including low-income Vietnam-era veterans and certain disabled veterans. Employers can receive credit equal to 40 percent of the first-year wages up to $6,000 for each eligible employee. Information regarding TJTC may be obtained from any Job Service office.

Unemployment Compensation for Ex-servicemembers (UCX).—Certain veterans are eligible for unemployment compensation payments while looking for work following completion of military service. Eligibility can be determined at any Unemployment Insurance office, usually located in the same building as the Job Service.

Reemployment Rights.—Recently separated veterans returning from tours of active duty may be eligible for reemployment rights. These include reinstatement with the employer the veteran left to enter military service and all benefits of seniority that have accrued during the military absence. Application for reinstatement must be made to the former employer within 90 days after separation from active duty. Reservists and members of the National Guard who complete tours of active and inactive duty for training may also have reinstatement rights with their former employers. Additionally, National Guard and Reserve members are protected from hiring discrimination.

Veterans Affirmative Action.—Employers with Federal contracts of at least $10,000 are required by law to take special steps on behalf of disabled and Vietnam-era veterans and to list job openings with the Job Service. The Job Service gives these groups of veterans priority when referring applicants to Federal contractor job openings. Job Service staff also assist employers in meeting their program obligations.

American Battle Monuments Commission

Another agency over which the Committee has jurisdiction is the American Battle Monuments Commission, which is responsible for the construction and permanent maintenance of military cemeteries and memorials on foreign soil, as well as certain memorials in the United States.

The American Battle Monuments Commission was created by an Act of Congress in 1923 (36 U.S.C. 121–138b). Its principal functions are to commemorate the sacrifices and achievements of American Armed Forces where they have served since April 6, 1917; to control the design and construction of military monuments and mark-

ers in foreign countries by other U.S. citizens and organizations, both public and private; to encourage other government agencies, private organizations, private individuals and States to maintain properly the military monuments and markers erected by them on foreign soil; and if adequate maintenance is not performed, to arrange for demolition of the monument or marker, or in those rare instances where its excellence of design, basic construction and aesthetic qualities warrant, to take steps to assume responsibility for it.

Currently, ABMC administers and maintains 24 permanent American military cemetery memorials and 11 separate monuments in nine foreign countries, and three memorials in the United States. The Commission also monitors the state of maintenance and repair of 150 private U.S. monuments and memorials in foreign countries.

Interred in the Commission's cemeteries are 124,902 U.S. War Dead: 30,920 of World War I; 93,232 of World War II; and 750 of the Mexican War. All ABMC cemeteries are closed to burials except (1) the newly established cemetery at Corozal, Panama, and (2) for the remains of the U.S. War Dead still found from time to time on the battlefields of those wars. In addition to the burials, these cemeteries, together with three memorials on United States soil, commemorate individually by name on Tablets of the Missing the 91,598 U.S. servicemen and women who are Missing in Action or were lost or buried at sea during World War I, World War II, and the Korean conflict. A similar commemoration was held in May 1980 at the Honolulu Memorial for the 2,489 Missing in Action (at that time) in Vietnam.

The cemeteries and memorials of the Commission are unquestionably the most beautiful and meticulously maintained cemeteries and memorials in the world. No others combine such fitness of design, beauty of landscaping and memorial features, and immaculate care. The Commission's cemeteries and memorials receive over 7,000,000 visitors each year.

MESSAGES FROM THE PRESIDENT AND

EXECUTIVE COMMUNICATIONS

199 Jan. 6, 1987

A letter of October 22, 1986 from the Chairman, Board of Veterans Appeals, Veterans' Administration, transmitting a copy of the decision entered by the Board of Veterans Appeals in the case of Mrs. Mary A. Hubbard.

289 Jan. 8, 1987

A letter of December 11, 1986 from the Administrator, Veterans' Administration, transmitting a report on the sharing of medical resources programs for fiscal year 1986, pursuant to 38, U.S.C. 5057.

381 Jan. 20, 1987

A letter from the Adjutant General, the United Spanish War Veterans transmitting the proceedings of the national encampment, held in Cleveland, Ohio, on September 11–17, 1985 pursuant to 44 U.S.C. 1332.

410 Jan. 21, 1987

A letter from the national adjutant, the Disabled American Veterans, transmitting the report of the proceedings of the organization's 65th national convention, including a report of receipts and expenditures as of December 31, 1985 pursuant to 36 U.S.C. 90i; 44 U.S.C. 1332 (H. Doc. No. 100–023); ordered to be printed.

625 Feb. 18, 1987

A February 6, 1987 letter from the Secretary of Defense and the Administrator of Veterans' Affairs, Veterans' Administration, transmitting jointly, recommendations and guidelines to promote the sharing of health care resoures, pursuant to 38 U.S.C. 5011(f). Referred jointly to the Committee on Armed Services.

662 Feb. 24, 1987

A letter from the American Legion transmitting the proceedings of the 68th annual National Convention, Salt Lake City, UT, September 2–4, 1986, pursuant to 36 U.S.C. 491 (H. Doc. No. 100–37).

837 Mar. 11, 1987

A March 9, 1987 letter from the Administrator of Veterans' Affairs, Veterans' Administration, transmitting a draft of proposed legislation to amend title 38, United States Code, to provide for the exclusion of residents and interns from coverage under the Federal Labor-Management Relations Statute; jointly referred to the Committee on Education and Labor.

846 Mar. 11, 1987

A March 9, 1987 letter from the Administrator of Veterans' Affairs, Veterans' Administration, transmitting a draft of proposed legislation to amend title 38, United States Code, to authorize a headstone allowance for prepurchased grave markers, and modify eligibility requirements for the plot allowance, and for other purposes.

847 Mar. 11, 1987

A March 9, 1987 letter from the Administrator of Veterans' Affairs, Veterans' Administration, transmitting a draft of proposed

legislation to amend title 38, United States Code, to limit the types of proposed disciplinary actions in which disciplinary boards function, to allow for the delegation of authority of the Chief Medical Director in certain situations and for related purposes.

900 Mar. 16, 1987

A February 13, 1987 letter from the Secretary of Labor, transmitting a report, "Training and Employment Report of the Secretary of Labor, 1985", which also fulfills the requirements relating to the Work Incentive Program and that relating to veterans' training and employment activities, pursuant to Public Law 97-300, section 169(d); 42 U.S.C. 640 SSA, section 440; 38 U.S.C. 2007(c). Referred jointly to the Committee on Education and Labor.

939 Mar. 19, 1987

A March 17, 1987 letter from the Administrator of Veterans' Affairs, Veterans' Administration, transmitting a draft of proposed legislation to amend title 38, United States Code, to make certain improvements in the educational assistance programs for veterans and eligible persons; to repeal the education loan program; and for other purposes. Referred jointly to the Committee on Armed Services.

1031 Mar. 30, 1987

A March 23, 1987 letter from the Administrator of Veterans' Affairs' transmitting a draft of proposed legislation to amend title 38, United States Code, to authorize the Administrator to assist Members of Congress in providing title 38 benefit information to their constituents, and to conduct authorized field examinations and investigations.

1032 Mar. 30, 1987

A March 24, 1987 letter from the Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to amend title 38, United States Code, to authorize the Chief Medical Director to waive State licensure requirements for registered, practical or vocational nurses and physical therapists not to be employed in patient care, and for licensed or vocational nurses and physical therapists to be employed in foreign countries.

1033 Mar. 30, 1987

A March 24, 1987 letter from the Administrator, Veterans' Administration, transmitting a draft of proposed legislation to amend title 38, United States Code, to authorize the Administrator to make contributions for construction projects on land adjacent to national cemeteries in order to facilitate safe ingress or egress.

1034 Mar. 30, 1987

A March 24, 1987 letter from the Administrator of Veterans' Affairs, Veterans' Administration, transmitting a draft of proposed legislation to amend title 38, United States Code, to repeal provisions relating to setting the interest rate on guaranteed or insured housing loans to veterans and inspecting manufactured homes purchased by veterans, to increase the VA loan fee, to authorize direct appropriations to the loan guaranty revolving fund, and for other purposes.

1077 April 2, 1987
A March 31, 1987 letter from the Administrator, Veterans' Administration, transmitting a draft of proposed legislation to amend title 38, United States Code, to authorize the Administrator of Veterans' Affairs to provide on call pay to certain service health care personnel.

1078 April 2, 1987
A March 31, 1987 letter from the Administrator, Veterans' Administration, transmitting a draft of proposed legislation to amend title 38, United States Code, to clarify the authority of the Chief Medical Director or designee regarding disciplinary actions on certain probationary title 38 health care employees.

1079 April 2, 1987
A March 31, 1987 letter from the Administrator, Veterans' Administration, transmitting a draft of proposed legislation to amend title 38, United States Code, to index rates of veterans' disability compensation and surviving spouses' and children's dependency and indemnity compensation to automatically increase to keep pace with the cost of living, and for other purposes.

1080 Apr. 2, 1987
A March 31, 1987 letter from the Administrator, Veterans' Administration, transmitting a draft of proposed legislation to amend title 38, United States Code, to provide authority for higher monthly installments payable to certain insurance annuitants, and to exempt premiums paid under servicemen's and veterans' group life insurance from State taxation.

1081 April 2, 1987
A March 31, 1987 letter from the Administrator, Veterans' Administration, transmitting a draft of proposed legislation to amend title 38, United States Code, to improve the administration of veterans' health care benefits, and for other purposes.

1082 April 2, 1987
A March 31, 1987 letter from the Administrator, Veterans' Administration, transmitting a draft of proposed legislation to amend title 38, United States Code, to extend the adult day health care program and to authorize contract halfway house care for veterans with chronic psychiatric disabilities.

1083 April 2, 1987
A March 31, 1987 letter from the Administrator, Veterans' Administration, transmitting a draft of proposed legislation to amend title 38, United States Code, to revise and clarify VA authority to furnish certain health care benefits, and for other purposes.

1087 April 2, 1987
A March 31, 1987 letter from the Administrator, Veterans' Administration, transmitting a draft of proposed legislation to amend title 38, United States Code, to make certain improvements in the administering of tort claims and hospital cost collections, and for other purposes; referred jointly to the Committee on the Judiciary.

1102 April 6, 1987
A March 31, 1987 letter from the Administrator of Veterans' Affairs, Veterans' Administration, transmitting a report of cases recommended for equitable relief, pursuant to 38 U.S.C. 210(c)(3)(B).

1120 April 7, 1987
An April 2, 1987 letter from the Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to amend title 38, United States Code, to improve the State Veterans' Home Grant Program.

1286 April 28, 1987
An April 23, 1987 letter from the Director, Office of Management and Budget, transmitting a draft of proposed legislation entitled, "Health Insurance and Payment Verification Act of 1987". Jointly referred to the Committees on Ways and Means; Energy and Commerce; Interior and Insular Affairs; Education and Labor; and Armed Services.

1382 May 11, 1987
A May 7, 1987 letter from the Administrator of Veterans' Affairs, Veterans' Administration, transmitting a copy of the report of the age 65 presumption, pursuant to Public Law 98–543, section 302(a) (98 Stat. 2747).

1688 June 30, 1987
A June 26, 1987 letter from the Administrator of Veterans' Affairs, Veterans' Administration, transmitting the agency's report of activities for the fiscal year ended September 30, 1986, pursuant to 38 U.S.C. 214, 221(c).

2039 Sept. 9, 1987
An August 8, 1987 letter from the Administrator, Veterans' Administration, transmitting the biennial report submitted by the Advisory Committee on Former Prisoners of War containing recommendations for improvement of programs affecting former prisoners of war, pursuant to 38 U.S.C. 221(c).

2077 Sept. 10, 1987
An August 31, 1987 letter from the Secretary of Labor, transmitting a draft of proposed legislation to provide for improved representation of Federal departments and agencies on the Secretary of Labor's Committee on Veterans' Employment, and for other purposes.

2517 Dec. 7, 1987
A December 2, 1987 letter from the Administrator, Veterans' Administration, transmitting the report on the Sharing of Medical Resources Program for fiscal year 1987, pursuant to 38 U.S.C. 5057.

2540 Dec. 9, 1987
A letter from the national adjutant, Disabled American Veterans, transmitting the report of the proceedings of the organization's 66th National Convention, including a report of receipts and expenditures as of December 31, 1986, pursuant to 36 U.S.C. 90i; 44 U.S.C. 1332, and section 3 of Public Law 88–504 (H.Doc. No. 100–144).

2583 Dec. 17, 1987

A letter from the American Legion transmitting the proceedings of the 69th annual National Convention, San Antonio, Texas, August 25–27, 1987, together with a financial statement and independent audit, pursuant to 36, U.S.C 49.

2737 Jan. 25, 1988

A December 23, 1987 letter from the Administrator, Veterans' Administration, transmitting a report on the extent of contractor performance of activities at VA health care facilities during fiscal year 1987, pursuant to 38, U.S.C. 5010(c)(7) (96 Stat. 1449).

2738 Jan. 25, 1988

A December 29, 1987 letter from the Administrator, Veterans' Administration, transmitting a revised Biennial Report of the Advisory Committee on Former Prisoners of War, as a substitute for the material previously forwarded (Ex. Com. No. 2039), pursuant to 38, U.S.C. 221(c).

2827 Feb. 2, 1988

A communication from the Adjutant General, the United Spanish War Veterans, transmitting the proceedings of the national encampment, held in Bangor, ME, on August 23–27, 1986, pursuant to 44 U.S.C. 1332.

2854 Feb. 4, 1988

A February 1, 1988 letter from the Deputy Chief, Legislative Division Office of Legislative Liaison, Department of the Air Force, transmitting a copy of his decision document with background information and instructions for applying for an Armed Forces discharge certificate to be administered by the Veterans' Administration.

3127 Mar. 10, 1988

A March 7, 1988 letter from the Secretary of Defense and the Administrator of Veterans' Affairs, Veterans' Administration, transmitting their joint report on the sharing of medical resources between the two agencies, purusant to 38, U.S.C. 5011(f). Referred jointly to Committee on Armed Services.

3357 Apr. 11, 1988

An April 1, 1988 letter from the Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to amend title 38, United States Code, to index rates of veterans' disability compensation and surviving spouses' and children's dependency and indemnity compensation to automatically increase to keep pace with the cost of living, and for other purposes.

3358 Apr. 11, 1988

An April 1, 1988 letter from the Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to amend title 38, United States Code, to modify eligibility requirements for the plot allowance; authorize a headstone allowance for prepurchased grave markers; extend the State cemetery grants programs; and for other purposes, pursuant to 31 U.S.C. 1110.

3359 Apr. 11, 1988

An April 1, 1988 letter from the Administrator, Veterans' Administration, transmitting a draft of proposed legislation to amend title 38, section 203(b), United States Code, to delete the requirement that settlements of claims in excess of $1 million on a construction contract be provided for specifically in an appropriation law, and to provide instead that the Administrator notify the House and Senate Committees on Appropriations of construction contract claims settlements of more than $1 million.

3361 Apr. 11, 1988

An April 6, 1988 letter from the Deputy Secretary of Defense, transmitting the biennial report on the Montgomery GI Bill Education Benefits Program, pursuant to 38 U.S.C. 1436. Jointly referred to Armed Services Committee.

3390 Apr. 12, 1988

An April 7, 1988 letter from the Administrator, Veterans' Administration, transmitting a draft of proposed legislation to amend title 38, sections 5002(d) and 5004(a)(4), United States Code, to raise the Veterans' Administration's minor construction cost limitation from $2 million to $3 million and for other purposes.

3391 Apr. 12, 1988

An April 7, 1988 letter from the Administrator, Veterans' Administration, transmitting a draft of proposed legislation to amend title 38, United States Code, and other provisions of law, to extend the authority of the Veterans' Administration (VA) to continue major health care programs, and to revise and clarify VA authority to furnish certain health care benefits, and to enhance VA authority to recruit and retain certain health care personnel.

3411 Apr. 13, 1988

An April 11, 1988 letter from the Administrator of Veterans' Affairs, Veterans' Administration, transmitting a report covering 23 cases recommended for equitable relief, pursuant to title 38, U.S.C. 210(c)(3)(B).

3461 Apr. 19, 1988

An April 12, 1988 letter from the Administrator of Veterans Affairs, Veterans' Administration, transmitting a draft of proposed legislation to amend title 10 and title 38, United States Code, to make certain improvements in the educational assistance programs for veterans and eligible persons, and for other purposes. Jointly referred to Armed Services Committee.

3473 Apr. 20, 1988

An April 18, 1988 letter from the Administrator of Veterans Affairs, Veterans' Administration, transmitting a draft of proposed legislation to amend title 38, United States Code, to authorize multiyear contracts in certain cases.

3475 Apr. 20, 1988

An April 15, 1988 letter from the Principal Deputy Assistant Secretary of the Army (Manpower and Reserve Affairs) transmitting a draft of proposed legislation to amend title 5, 10, 37 and 38, United States Code, to provide members of the Senior Reserve Officers'

Training Corps coverage for adequate care and compensation for disabilities incurred during training.

3584 May 9, 1988

A May 3, 1988 letter from the Administrator, Veterans' Administration, transmitting a draft of proposed legislation to amend title 38, United States Code, to repeal provisions relating to setting the interest rate on guaranteed or insured housing loans to veterans and inspecting manufactured homes purchased by veterans, to modify the procedures for the sale of loans by the Administrator of Veterans' Affairs, and for other purposes.

3603 May 10, 1988

A May 6, 1988 letter from the Administrator of the Veterans' Administration, transmitting a draft of proposed legislation to amend title 38, United States Code, to authorize the appointment of Veterans' Administration trained graduates in certain health-care professions or occupations by the Veterans' Administration without regard to civil service hiring procedures. Referred jointly to Post Office and Civil Service Committee.

3730 June 1, 1988

A May 26, 1988 letter from the Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to amend title 38, United States Code, to provide authority for payment of interest on insurance settlements, and to permit increased discount rates for insurance premiums paid in advance.

3894 June 28, 1988

A June 27, 1988 letter from the Administrator, Veterans' Administration transmitting a draft of proposed legislation to amend title 38, United States Code, to convert non-physician directors appointed under section 4103(a)(8) of title 38, United States Code, to Senior Executive Service career appointees.

3954 July 7, 1988

A July 6, 1988 letter from the Administrator, Veterans' Administration, transmitting the agency's report of activities for the fiscal year ended September 30, 1987, pursuant to 38 U.S.C. 214, 221(c), 664.

4263 Sept. 7, 1988

An August 11, 1988 letter from the Secretary of Labor, transmitting the Secretary's annual report on employment and training programs, pursuant to 29 U.S.C. 1579(d). Referred jointly to Committee on Education and Labor.

SUMMARY OF VETERANS' AFFAIRS COMMITTEE ACTION

BILLS AND RESOLUTIONS REFERRED AND HEARINGS / EXECUTIVE SESSIONS CONDUCTED

	Congress																		
	82d	83d	84th	85th	86th	87th	88th	89th	90th	91st	92d	93d	94th	95th	96th	97th	98th	99th	100th
Bills and resolutions referred	436	402	537	491	628	592	508	791	685	740	693	839	719	709	339	273	229	198	193
Hearings sessions	50	46	71	69	55	45	50	71	46	43	37	44	58	72	84	89	71	76	78
Executive sessions	27	55	37	28	21	15	21	32	13	27	21	16	30	26	19	18	16	20	23
Bills reported	36	36	48	44	42	52	41	47	[8] 19	34	26	[9] 14	23	32	11	16	15	17	26
Bills in House		14	1	5	2	[1] 8	[5] 5	[6] 4	4	1	4	1	0	1	1	1	3	3	0
Pending in Senate committees	14	2	17	11	6	[2] 13	7	[7] 12	3	9	7	2	[10] 9	17	3	6	6	8	2
Bills on Senate Calendar or in Senate	1	2			1	[3] 2	0	1	0	0	0	0	0	1	1	1	0	1	—
Recommitted	1			1											1	0	0	0	0
Bills vetoed	4			1							2	1			1	0	0	0	0
Bills passed over veto	2											1			1	0	0	0	0
Laws enacted	22	25	30	26	33	[4] 32	29	30	15	24	15	15	15	13	6	8	8	6	11

[1] Including 4 bills enacted as amendment in other legislation; 1 left in House when similar Senate bill returned to Senate; and 1 similar to another bill enacted (Public Law 87–645).
[2] Includes 2 bills enacted as amendments to other bills.
[3] Includes 1 bill enacted as amendment to another bill.
[4] Some laws include the substance of more than 1 bill reported separately, 39 separately reported bills were enacted, 7 as amendments to other legislation.
[5] Provisions of 3 of these bills were passed by the House as a separate bill, and the provisions of 1 bill were included as an amendment to another bill which became public law.
[6] [7] One bill in a Senate committee had purpose accomplished administrative; 5 others were enacted as sections of another bill; and portions of 1 bill left in the House were enacted as part of another bill.
[8] Includes S.J. Res. 197 making technical correction to law, which was brought to House floor for immediate consideration and passed by unanimous consent.
[9] The difference in number of bills reported (14) and laws enacted (15) is due to fact that S. 3705 did not go to the House Committee. However, the subject matter was included in H.R. 12628.
[10] Includes H.R. 9576 subject matter of which was contained in S. 969, passed in lieu.

HEARINGS AND EXECUTIVE SESSIONS

(All hearings and executive sessions of the Committee are held in the Committee hearing room, Room 334, Cannon House Office Building, unless otherwise designated.)

Jan. 29, 1987.—Open. 9:15 a.m. Full Committee organization meeting.

Feb. 3, 1987.—Open. 9:00 a.m. Full Committee on FY '88 VA budget. Witnesses: Veterans' Admistration; and veterans organizations. (Serial No. 100–1).

Feb. 4, 1987.—Open. 9:00 a.m. Full Committee on FY '88 VA budget. Witnesses: Veterans Administration Medical Center Directors; and veterans organizations. (Serial No. 100–1).

Feb. 18, 1987.—Open. 1:00 p.m. Subcommittee on Education, Training and Employment. Legislation on the New GI Bill, H.R. 1085. Witnesses: Veterans Administration; Department of Defense; veterans organizations; and public witnesses. (Serial No. 100–2).

Feb. 19, 1987.—Open. 9:30 a.m. Full Committee. Markup. Markup on budget report to Budget Committee and H. Con. Res. 27.

Feb. 24, 1987.—Open. 9:30 a.m. Room 345 Cannon House Office Building. House and Senate Veterans' Affairs Committees. Receive the presentation of the legislative agenda of the Disabled American Veterans.

Feb. 25, 1987.—Open. 9:30 a.m. House and Senate Veterans' Affairs Committees. Receive the legislative programs of the Paralyzed Veterans of America; Blinded Veterans of America; Veterans of World War I; and Military Order of the Purple Heart.

Feb. 26, 1987.—Open. 9:30 a.m. Markup. Subcommittee on Education, Training and Employment, H.R. 1085.

Mar. 3, 1987.—Open. 9:30 a.m. Room 345 Cannon House Building. House and Senate Veterans' Affairs Committees. Receive the presentation of the legislative agenda of the Veterans of Foreign Wars.

Mar. 4, 1987.—Open. 9:00 a.m. Full Committee markup. H.R. 1085.

Mar. 11, 1987.—Open. 9:00 a.m. Subcommittee on Hospitals and Health Care. VA medical construction request. Witnesses: Honorable James Florio, Member of Congress; Honorable Christopher Smith, Member of Congress; Honorable Richard Ray, Member of Congress; Honorable Dave McCurdy, Member of Congress; Honorable Nick J. Rahall, Member of Congress; Honorable Charles Bennett, Member of Congress; Honorable James Howard, Member of Congress; Honorable Patrick Swindall, Member of Congress; Honorable Dan Glickman, Member of Congress; Veterans Administration; and veterans organizations. (Serial No. 100–3).

Mar. 17, 1987.—Open. 9:30 a.m. House and Senate Veterans' Affairs Committees. Issues arising in connection with NARS vs. Turnage. Witnesses: Mr. Gordon P. Erspamer, National Association of Radiation Survivors; Mr. Ronald B. Abrams, Veterans Administration employee; Mr. Barry S. Boskovitch, Veterans Administration

employee; Mr. Thomas J. Kenny, Veterans Administration employee; Mr. Michael A. Dunlap, Veterans Administration employee; and Veterans Administration. (Serial No. 100–4).

Mar. 18, 1987.—Open. 9:30 a.m. Subcommittee on Education, Training and Employment. Veterans Job Training Act, H.R. 1504. Witnesses: Veterans Administration; Department of Labor; Mark Mosley's Travel; Urban Revitalization Inc. of America; Mississippi Employment Security Commission; and veterans organizations. (Serial No. 100–5).

Mar. 19, 1987.—Open. 9:00 a.m. Subcommittee on Housing and Memorial Affairs. Markup. H.R. 733; H. Con. Res. 78 and 79.

Mar. 25, 1987.—Open. 9:00 a.m. Subcommittee on Hospitals and Health Care. Markup. VA medical construction resolution.

Apr. 1, 1987.—Open. 9:00 a.m. House and Senate Veterans' Affairs Committees. Receive the presentation of the legislative agenda of the AMVETS, Vietnam Veterans of America, and the Jewish War Veterans.

Apr. 2, 1987.—Open. 9:00 a.m. Subcommittee on Oversight and Investigations. Current status and concerns of women veterans. Witnesses: Honorable Marcy Kaptur, Member of Congress; MG Jeanne Holm, USAF (RET.), Chairman, VA Advisory Committee on Women Veterans; Ms. Julia Perez, University of Massachusetts at Boston; Linda Schwartz, RN, MSN, (Maj., USAF, Ret.); Ms. Jannette Tappan, Women Veteran Coordinator for the Commonwealth of Massachusetts State Veteran Services; Veterans Administration; Department of Labor; Office of Personnel Management; Small Business Administration; and veterans organizations. (Serial No. 100–6).

Apr. 8, 1987.—Open. 9:00 a.m. and 2:00 p.m. Subcommittee on Hospitals and Health Care. VA Department of Medicine and Surgery computer systems activity. Witnesses: Veterans' Administration; Veterans' Administration Medical Centers; Booz-Allen and Hamilton, Inc.; McDonnell Douglas Health Information Systems Company; National Association of VA Physicians; and veterans organizations. (Serial No. 100–7).

Apr. 9, 1987.—Open. 9:00 a.m. Subcommittee on Compensation, Pension and Insurance. H.R. 1084, 1427, 1543 and 1544. Witnesses: Veterans' Administration; and veterans organizations. (Serial No. 100–8).

Apr. 9, 1987.—Open. 10:00 a.m., Room 340 CHOB. Subcommittee on Housing and Memorial Affairs. VA Home Loan Guaranty Program. Witnesses: Honorable Doug Barnard, Member of Congress; Honorable Fofo I.F. Sunia, Member of Congress; Honorable Lane Evans, Member of Congress; and public witnesses. (Serial No. 100–9).

Apr. 22, 1987.—Open. 9:00 a.m. Subcommittee on Hospitals and Health Care. Markup. H.R. 1659. Hearing on implementation of the medical care eligibility reform provisions of P.L. 99–272, and the status of recruitment and retention of health care personnel. Witnesses: Veterans Administration; National Association of VA

Physicians; National Association of State Veterans Homes; and veterans organizations. (Serial No. 100–10).

Apr. 22, 1987.—Open. 10:00 a.m. Subcommittee on Housing and Memorial Affairs. VA Home Loan Guaranty Program. Witnesses: Honorable Marvin Leath, Member of Congress; Veterans Administration; American Mortgage Co., Houston, Texas; Advisory Council to VA Property Disposition, Houston, Texas; Mortgage Bankers Association; National Association of Home Builders; National Association of Realtors; and veterans organizations. (Serial No. 100–9).

Apr. 23, 1987.—Open. 9:30 a.m. Full Committee. Markup. H. Con. Res. 78 and 79; H.R. 733 and H.R. 1659.

May 7, 1987.—Open. 9:00 a.m. Subcommittee on Compensation, Pension and Insurance. Quality and timeliness of compensation and pension services. Witnesses: Veterans Administration; Mr. Joe Dorolek, Adjudication Officer, Atlanta VARO; Mr. Barry M. Weisberg, Adjudication Officer, Cleveland VARO; Mr. Patrick K. Courtney, Adjudication Officer, St. Louis VARO; Mr. Tim Ivers, Adjudication Officer, St. Petersburg VARO; veterans organizations; and Mr. Ron Abrams, legal consultant, Veterans Administration. (Serial No. 100–11).

May 13, 1987.—Open. 8:30 a.m. Subcommittee on Education, Training and Employment. Oversight of veterans' programs administered by the Department of Labor. Witnesses: U.S. Department of Labor; and veterans organizations. (Serial No. 100–12).

May 13, 1987.—Open. 1:00 p.m. Subcommittee on Housing and Memorial Affairs. GAO review of the VA home loan guaranty program. Witness: Mr. John H. Luke, General Accounting Office. (Serial No. 100–13).

May 14, 1987.—Open. 9:00 a.m. Subcommittee on Oversight and Investigations. Collocation of VA Regional Offices. Witnesses: Mr. Wolfgang J. Zoellner, General Services Administration; Veterans Administration; Mr. Carlos S. Rainwater, Director, St. Petersburg VARO; Mr. Morris B. Nooner, Director, Fort Snelling VARO; Mr. Theodore W. Myatt, Director, Houston VARO; Mr. Samuel L. Holmes, Director of Chicago VARO; and veterans organizations. (Serial No. 100–14).

May 20, 1987.—Open. 9:00 a.m. Subcommittee on Hospitals and Health Care. Various medical legislative proposals. H.R. 2001, 2002, 2003, 2004, 2006, 2007, 2010, 2146, and 2327. Witnesses: Honorable Gerald B.H. Solomon, Member of Congress; Honorable Sherwood L. Boehlert, Member of Congress; Veterans Administration and veterans organizations. (Serial No. 100–15).

May 20, 1987.—Open. 1:30 p.m. Subcommittee on Compensation, Pension and Insurance. Radiation legislation for veterans, H.R. 1811. Witnesses: Honorable J. Roy Rowland, Member of Congress; Veterans Administration; and veterans organizations. (Serial No. 100–16).

May 29, 1987.—Open. 10:00 a.m. Room 136, Library Auditorium, Greenville Tech, Greenville, South Carolina. Subcommittee on Housing and Memorial Affairs. Oversight of VA Home Loan Guar-

anty Program. Witnesses: Veterans Administration; Alliance Mortgage Co., MBA of Greater Greenville; First Federal of South Carolina, Greenville, South Carolina; SCN Mortgage Corporation, Spartanburg, South Carolina; Greenville Homebuilders; Homebuilders of Spartanburg, South Carolina; Homebuilders of Charleston/Berkley Counties, South Carolina; Greenville Board of Realtors; and veterans organizations. (Serial No. 100–17).

June 3, 1987.—Open. 9:00 a.m. Subcommittee on Hospitals and Health Care. Markup. H.R. 2327 and draft legislation.

June 3, 1987.—Open. 1:30 p.m. Subcommittee on Education, Training and Employment. Markup. H.R. 1504.

June 10, 1987.—Open. 9:00 a.m. Full Committee. Markup. H.R. 1504, 2327 and 2616.

June 15, 1987.—Open. 9:15 a.m. Subcommittee on Education, Training and Employment. Holiday Inn, Galesburg, Illinois. Implementation and effectiveness of Veterans Job Training Act. Witnesses: Veterans Administration, Chicago Regional Office; State Director for Veterans' Employment and Training, U.S. Department of Labor; Illinois Department of Employment Security and VA Vet Centers; VJTA employers and employees; and veterans organizations.

June 15, 1987.—Open. 3:30 p.m. Subcommittee on Education, Training and Employment. St. John Township Community Center, Shererville, Indiana. Implementation and effectiveness of Veterans Job Training Act. Witnesses: Veterans Administration, Indianapolis Regional Office; Mr. D. Bruce Redman, State Director for Veterans' Employment and Training, U.S. Department of Labor; VJTA employees and employers; Illinois Department of Employment Security; and veterans organizations. (Serial No. 100–18).

June 17, 1987.—Open. 9:00 a.m. Room 340 Cannon House Office Building. Subcommittee on Compensation, Pension and Insurance. Markup. H.R. 1084, 1427, 1544 and 1811.

June 17, 1987.—Open. 10:00 a.m. Subcommittee on Hospitals and Health Care. Hearing. Oversight of VA and Federal policy on AIDS. Witnesses: Veterans Administration; and Centers for Disease Control. (Serial No. 100–19).

June 23, 1987.—Open. 1:00 p.m. Subcommittee on Housing and Memorial Affairs. H.R. 2672, VA Home Loan Guaranty Program. Witnesses: Veterans Administration; Mortgage Bankers Association; National Association of Home Builders; National Association of Realtors; and veterans organizations. (Serial No. 100–20).

June 24, 1987.—Open. 9:00 a.m. Subcommittee on Compensation, Pension and Insurance. Vocational rehabilitation training for young pensioners and service-connected disabled veterans rated totally disabled due to individual unemployability. Witnesses: Veterans Administration; and veterans organizations. (Serial No. 100–21).

July 1, 1987.—Open. 9:30 a.m. Room 340 Cannon HOB. Subcommittee on Housing and Memorial Affairs. Legislative proposals affecting the VA Cemetery program, H.R. 1987, 1999, and 2653. Wit-

nesses: Honorable John McCain, U.S. Senator; Honorable Gerald B.H. Solomon, Member of Congress; Honorable Bob Stump, Member of Congress; Honorable Clyde C. Holloway, Member of Congress; Honorable Bob McEwen, Member of Congress; Major General Donald C. Hilbert, Arlington National Cemetery; American Battle Monuments Commission; Veterans Administration; American Cemetery Association; National Concrete Burial Vault Association; and veterans organizations. (Serial No. 100-22).

July 14, 1987.—Open. 1:00 p.m. Subcommittee on Housing and Memorial Affairs. Markup. H.R. 1987 and 2672 and draft legislation.

July 22, 1987.—Open. 9:00 a.m. Full Committee. Markup. H.R. 2881, 2945, 1811, 2672, 2957.

July 29, 1987.—Open. 1:30 p.m. Room 340 Cannon HOB. Subcommittee on Oversight and Investigations. Medical specialty contracting. Witnesses: Mr. Kenneth T. Furukawa, Assistant Inspector General for Auditing, Veterans Administration; Dr. Daniel H. Winship, Assistant Deputy Chief Medical Director for Programs and Operations, Veterans Administration; Dr. A. Wendell Musser, Chief of Staff, Atlanta VA Medical Center; Mr. Barry L. Bell, Director, Portland VA Medical Center; Dr. Frank DeLand, Chief of Staff, Syracuse VA Medical Center; and Dr. Paul W. Schafer, Executive Director, National Association of VA Physicians. (Serial No. 100-23).

July 31, 1987.—Open. 12:00 p.m. Energy and Information Center Auditorium, Houston Light and Power, Bellaire, Texas. Subcommittee on Housing and Memorial Affairs. Operation of the VA Home Loan Guaranty Program in the State of Texas. Witnesses: Veterans Administration; American Mortgage Company, Houston, Texas; Texas Mortgage Bankers, Dallas, Texas; Houston Advisory Council, Houston, Texas; Houston Homebuilders, Houston, Texas; veterans organizations; and public witnesses. (Serial No. 100-24).

Aug. 6, 1987.—Open. 9:30 a.m. Subcommittee on Education, Training and Employment. H.R. 3001. Witnesses: Honorable Dan Glickman, Member of Congress; Honorable Jim Slattery, Member of Congress; Veterans Administration; U.S. Military Personnel Chiefs; military associations; and veterans organizations. (Serial No. 100-25).

Aug. 21, 1987.—Open. 10:00 a.m. Subcommittee on Hospitals and Health Care. VA Medical Center, San Francisco, California. Investigate the operation aspects of AIDS research and medical care within the VA and the community. Witnesses: Veterans Administration; University of California School of Medicine; City of San Francisco Public Health Director; Irwin Memorial Blood Bank Director; and AIDS Foundation social worker. (Serial No. 100-26).

Sept. 9, 1987.—Open. 9:00 a.m. Subcommittee on Hospitals and Health Care. VA medical, prosthetic and rehabilitation research programs. Witnesses: Veterans Administration; American Psychiatric Institute, Bronx, New York; and veterans organizations. (Serial No. 100-27).

Sept. 10, 1987.—Open. 9:00 a.m. Subcommittee on Compensation, Pension and Insurance. Operation of the VA insurance programs. Witnesses: Veterans Administration; and veterans organizations. (Serial No. 100–28).

Sept. 17, 1987.—Open. 9:00 a.m. Subcommittee on Education, Training and Employment. Veterans' programs administered by the Department of Labor. Witnesses: Department of Labor; Mr. Thomas H. Dyson, Interstate Conference of Employment Security Agencies, Inc.; and veterans organizations. (Serial No. 100–29).

Sept. 22, 1987.—Open. 9:00 a.m. Full Committee. Receive legislative priorities of the American Legion for 1988.

Sept. 23, 1987.—Open. 9:00 a.m. Subcommittee on Hospitals and Health Care. H.R. 3161 and provisions of S. 1464. Medical benefits for procreation and establishment of the office of VA Medical Inspector General. Witnesses: Veterans Administration; Office of Technology Assessment; and veterans organizations. (Serial No. 100–30).

Sept. 25, 1987.—Open. 1:00 p.m. Shorewood Inn, Shorewood, Illinois. Subcommittee on Housing and Memorial Affairs. VA home loan guaranty program and need for new national cemetery in the Chicago area. Witnesses: Veterans Administration; veterans organizations; and public witnesses. (Serial No. 100–31).

Oct. 6, 1987.—Open. 9:00 a.m. Subcommittee on Compensation, Pension and Insurance. Operation of the Board of Veterans Appeals. Witnesses: Veterans Administration; and veterans organizations. (Serial No. 100–32).

Oct. 7, 1987.—Open. 9:00 a.m. Subcommittee on Hospitals and Health Care. Markup. Draft legislation.

Oct. 7, 1987.—Open. 2:00 p.m. Subcommittee on Education, Training and Employment. Markup. Draft legislation.

Oct. 8, 1987.—Open. 9:00 a.m. Subcommittee on Oversight and Investigations. Activities of the VA Office of Inspector General. Witnesses: Veterans Administration; and Veterans of Foreign Wars. (Serial No. 100–33).

Oct. 14, 1987.—Open. 9:00 a.m. Full Committee. Markup, H.R. 3449 and 3460.

Oct. 14, 1987.—Open. 10:00 a.m. Subcommittee on Education, Training and Employment. The Montgomery GI Bill. Witnesses: Honorable Tim Johnson, Member of Congress; Honorable Duncan Hunter, Member of Congress; Active Component Recruiters; military program managers; military associations; and veterans organizations. (Serial No. 100–34).

Oct. 15, 1987.—Open. 10:00 a.m. Subcommittee on Education, Training and Employment. The Montgomery GI Bill. Witnesses: Honorable Bill Coyne, Member of Congress; Veterans Administration; Department of Defense; military personnel chiefs; military reserve chiefs; and the American Legion. (Serial No. 100–34).

Oct. 30, 1987.—Open. 10:00 a.m. Classroom B, Alumni Hall, New York University, New York, New York. Subcommittee on Hospitals

and Health Care. Investigate the operational aspects of AIDS research and medical care to veterans. Witnesses: Honorable Mario Biaggi, Member of Congress; Honorable Bill Green, Member of Congress; New York VA Medical Center; AIDS Program Services, Department of Health, City of New York; and Cancer Center, New York University. (Serial No. 100–35).

Feb. 23, 1988.—Open. 9:00 a.m. Room 106 Dirksen Senate Office Building. House and Senate Veterans' Affairs Committees. Receive the presentation of the legislative agenda of the Disabled American Veterans.

Feb. 24, 1988.—Open. 9:00 a.m. Room 325 Russell Senate Office Building. House and Senate Veterans' Affairs Committees. Receive the presentation of the legislative agenda of the Paralyzed Veterans of America; Blinded Veterans of America; Veterans of World War I; and the Military Order of the Purple Heart.

Mar. 2, 1988.—Open. 9:00 a.m. Full Committee on Fiscal Year 1989 VA Budget. Witnesses: Veterans Administration. (Serial No. 100–36).

Mar. 3, 1988.—Open. 9:30 a.m. Full Committee, continuation on Fiscal Year 1989 VA Budget. Witnesses: veterans organizations. (Serial No. 100–36).

Mar. 8, 1988.—Open. 9:30 a.m. Room 106 Dirksen Senate Office Building. House and Senate Veterans' Affairs Committees. Receive the presentation of the legislative agenda of the Veterans of Foreign Wars.

Mar. 10, 1988.—Open. 9:30 a.m. Full Committee. Markup. Report to the Budget Committee on Fiscal Year 1989 VA Budget.

Mar. 16, 1988.—Open. 9:00 a.m. Subcommittee on Hospitals and Health Care. Medical facilities construction proposal for fiscal year 1989. Witnesses: Mrs. Susan Livingstone, Associate Deputy Administrator for Logistics, Veterans Administration; and veterans organizations. (Serial No. 100–37).

Mar. 16, 1988.—Open. 2:00 p.m. Subcommittee on Education, Training and Employment. Markup. Draft legislation on Montgomery GI Bill.

Mar. 17, 1988.—Open. 9:00 a.m. Subcommittee on Oversight and Investigations. Civilian Health and Medical Program of the VA (CHAMPVA). Witnesses: Veterans Administration; and the American Legion. (Serial No. 100–38).

Mar. 17, 1988.—Open. 10:00 a.m. Room 340 Cannon House Office Building. Subcommittee on Housing and Memorial Affairs. Solvency of VA Loan Guaranty Program. Witnesses: Veterans Administration; U.S. General Accounting Office; National Association of Home Builders; Mortgage Bankers of America; National Association of Realtors; National Council of Savings Institutions; Manufactured Housing Institute; National Manufactured Housing Finance Association; Society of Real Estate Appraisers; Mr. Robert Edelstein, Professor, University of California; and veterans organizations. (Serial No. 100–39).

Mar. 23, 1988.—Open. 9:00 a.m. Full Committee. Markup. H.R. 4213.

Mar. 24, 1988.—Open. 9:00 a.m. Subcommittee on Compensation, Pension and Insurance. Inspector General's report on payment to incompetent veterans. (Serial No. 100-40).

Mar. 30, 1988.—Open. 9:00 a.m. Subcommittee on Hospitals and Health Care. Department of Medicine and Surgery computer activities. Witnesses: Veterans Administration; Mr. Jack Markowitz, Acting Director, Office of Information Resources, Indian Health Service; Dr. James W. Holsinger, Director, VAMC, Richmond, Virginia; Dr. Eleanor Travers, Director, Pathology Service, VA Central Office; Dr. Robert Benway, Chief of Anesthesiology, VAMC, Tampa, Florida; Ms. Linda Weiss, VAMC, Albany, New York; and Mr. Terry Algood, VAMC, Jackson, Mississippi. (Serial No. 100-41).

Apr. 13, 1988.—Open. 10:00 a.m. Room 106 Dirksen Senate Office Building. House and Senate Veterans' Affairs Committees. Receive presentation of the legislative agenda of AMVETS, Vietnam Veterans of America and Jewish War Veterans.

Apr. 14, 1988.—Open. 9:00 a.m. Subcommittee on Compensation, Pension and Insurance. H.R. 303. Witnesses: Honorable Manuel Lujan, Member of Congress; Honorable Michael Bilirakis, Member of Congress; Veterans Administration; Lt. General Anthony Lukeman, Department of Defense; veterans organizations; and public witnesses. (Serial No. 100-42).

Apr. 21, 1988.—Open. 10:30 a.m. Subcommittee on Housing and Memorial Affairs. H.R. 3742, establish a World War II Veterans Memorial and Museum in Washington, D.C. Witnesses: Honorable Mary Rose Oakar, Member of Congress; Veterans Administration; American Battle Monuments Commission; National Capital Planning Commission; National Victory Memorial Fund; and veterans organizations. (Serial No. 100-43).

Apr. 22, 1988.—Open. 9:30 a.m. UAW Local 865, East Moline, Illinois. Subcommittee on Oversight and Investigations. Outpatient clinic services for veterans residing in the Quad Cities area of Illinois and Iowa. Witnesses: Veterans Administration; veterans organizations; and public witnesses. (Serial No. 100-44).

Apr. 28, 1988.—Open. 9:00 a.m. Subcommittee on Compensation, Pension and Insurance. H.R. 1918, 3722 and 4216. Witnesses: Honorable Glenn Anderson, Member of Congress; Veterans Administration; and veterans organizations. (Serial No. 100-45).

May 4, 1988.—Open. 9:00 a.m. Subcommittee on Hospitals and Health Care. Medical legislative initiatives of FY 1989. Witnesses: Veterans Administration; and veterans organizations. (Serial No. 100-46).

May 11, 1988.—Open. 2:00 p.m. Subcommittee on Education, Training and Employment. Chapter 31, U.S. Code, the Vocational Rehabilitation Program. Witnesses: Veterans Administration; Dr. Brian T. McMahon, Executive Director, New Medico Rehabilitation Counseling Association, and President, American Rehabilitation

and Counseling Association; and veterans organizations. (Serial No. 100–47).

May 18, 1988.—Open. 9:00 a.m. Subcommittee on Hospitals and Health Care. Markup. Construction Resolution for Fiscal Year 1989.

May 19, 1988.—Open. 9:00 a.m. Subcommittee on Oversight and Investigations. VA Security Service. Witnesses: Ms. Erin McDonnell, Office of the Special Counsel; Veterans Administration; National Federation of Federal Employees; National Association of Government Employees; Office of Personnel Management; Government Accountability Project; and veterans organizations. (Serial No. 100–48).

May 26, 1988.—Open. 9:00 a.m. Subcommittee on Compensation, Pension and Insurance. Quality and timeliness of processing claims by the Department of Veterans Benefits. Witnesses: Veterans Administration; and veterans organizations. (Serial No. 100–49).

May 26, 1988.—Open. 10:00 a.m. Subcommittee on Housing and Memorial Affairs. National Cemetery System. Witnesses: Veterans Administration; Superintendent, Arlington National Cemetery; National Concrete Burial Vault Association; American Cemetery Association; and veterans organizations. (Serial No. 100–50).

June 2, 1988.—Open. 9:00 a.m Subcommittee on Compensation, Pension and Insurance. Markup. COLA legislation.

June 8, 1988.—Open. 9:00 a.m. Subcommittee on Hospitals and Health Care. Review of Agent Orange studies. Witnesses: Veterans Administration; Agent Orange Working Group; Centers for Disease Control; Deputy Surgeon General, Department of the Air Force; New Jersey Agent Orange Commission; Office of Technology Assessment; and veterans organizations. (Serial No. 100–51).

June 13, 1988.—Open. 8:00 a.m. City School/Administrative Center, Rapid City, South Dakota. Subcommittee on Oversight and Investigations. Oversight of veterans' benefits and services in South Dakota. Witnesses: North Central Chapter, Paralyzed Veterans of America; South Dakota Veterans Service Officers Association; VA Medical Centers; Vet Centers; and District Director, Small Business Administration. (Serial No. 100–52).

June 16, 1988.—Open. 10:00 a.m. Subcommittee on Housing and Memorial Affairs. VA Loan Guaranty Program. Witnesses: Veterans Administration; Managing Director, Kidder, Peabody and Company, Inc.; Managing Director, The First Boston Corporation; Government National Mortgage Association; Mortgage Bankers of America; National Association of Home Builders; Mr. Robert H. Edelstein, University of California, Berkeley Chair, Real Estate Faculty Group; National Association of Realtors; National Auctioneers Association; Larry Latham Auctioneers; Manufactured Housing Institute; and veterans organizations. (Serial No. 100–53).

June 21, 1988.—Open. 10:00 a.m. Subcommittee on Housing and Memorial Affairs. Markup. H.R. 3742 and 4861.

June 23, 1988.—Open. 9:00 a.m. Subcommittee on Oversight and Investigations. Veterans' Canteen Service. Witnesses: Veterans Ad-

ministration; Price Waterhouse; and Veterans of Foreign Wars. (Serial No. 100-54).

June 28, 1988.—Open. 9:30 a.m. Full Committee. Markup. VA Medical Facilities Construction Resolution for FY 1989; H.R. 4741; H.R. 3742; H.R. 4861; and H.R. 4519.

July 13, 1988.—Open. 2:00 p.m. Subcommittee on Education, Training and Employment. Reemployment rights program administered by the Department of Labor. Witnesses: U.S. Department of Labor; Assistant Secretary for Reserve Affairs, Department of Defense; Associate Director for Career Entry, Office of Personnel Management; and Capt. J. Robert Lunney, National Vice President for Legislation, Naval Reserve Association. (Serial No. 100-55).

July 28, 1988.—Open. 9:15 a.m. Subcommittee on Oversight and Investigations. Department of Veterans Benefits automated data processing (ADP) modernization. Witnesses: General Accounting Office; Veterans Administration; and veterans organizations. (Serial No. 100-56).

Aug. 10, 1988.—Open. 9:00 a.m. Subcommittee on Hospitals and Health Care. Markup. H.R. 4535, 4559 and 5114.

Aug. 11, 1988.—Open. 9:00 a.m. Subcommittee on Compensation, Pension and Insurance. Oversight of the Board of Veterans Appeals. Witnesses: Veterans Administration; and veterans organizations. (Serial No. 100-57.)

Sept. 7, 1988.—Open. 1:30 p.m. Subcommittee on Hospitals and Health Care. Status of the Department of Medicine and Surgery operating funds. Witnesses: Honorable Nancy Johnson, Member of Congress; Honorable Jim Olin, Member of Congress; Honorable Ron Wyden, Member of Congress; Director, VA Medical Center, Salisbury, NC; Director, VA Medical Center, Hines, IL; Director, VA Medical Center, Boston, MA; Chief of Staff, VA Medical Center, Atlanta, GA; Chief, Nursing Service, VA Medical Center, Washington, D.C.; Chief, Nursing Service, VA Medical Center, Bronx, NY; Staff nurse, VA Medical Center, Portland, OR; Veterans Administration; Dr. Donald Custis, Former Chief Medical Director, Veterans Administration; Dr. Paul Schafer, Executive Director, National Association of VA Physicians; Dr. Gloria Hope, Former Director of Governmental Affairs, American Nurses Association; and veterans organizations. (Serial No.100-58).

Sept. 7, 1988.—Open. 2:00 p.m. Subcommittee on Housing and Memorial Affairs. Markup. H.R. 5221 and 4948. Hearing. Oversight of Public Law 100-198. Witnesses: Veterans Administration; Federal National Mortgage Association; veterans organizations; and trade associations. (Serial No. 100-59).

Sept. 8, 1988.—Open. 9:30 a.m. Full Committee. Hearing. H.R. 639, 5039, S. 11 and S. 2292. Witnesses: Mr. Morris S. Arnold, Judicial Conference; Mr. Paul R. Verkuil, President, College of William and Mary; veterans organizations; Mr. William Bennett, National Vietnam Veterans Coalition; Mr. Sydney Cooper, Veterans Due Process; and Veterans Administration. (Serial No. 100-60).

Sept. 14, 1988.—Open. Subcommittee on Compensation, Pension and Insurance. Witnesses: Veterans' Administration and veterans organizations. (Serial No. 100–61).

Sept. 15, 1988.—Open. 9:30 a.m. Markup. Full Committee. H.R. 5288, 5114, 4535, 5221, 4948.

Sept. 27, 1988.—Open. 9:30 a.m. Room 106 Dirksen Senate Office Building. House and Senate Veterans' Affairs Committees. Receive the presentation of the legislative agenda of the American Legion for 1989.

Dec. 2, 1988.—Open. 10:00 a.m. VA Medical Center, Dublin, Georgia (Carl Vinson VAMC). Receive testimony on impact of budget constraints on delivery of health care to veterans living in rural areas.

LEGISLATION ENACTED INTO LAW

THE NEW GI BILL CONTINUATION ACT

PUBLIC LAW 100-48

(H.R. 1085, AS AMENDED)

Summary: H.R. 1085: (1) Makes permanent the New GI Bill educational assistance programs established by Chapter 30, title 38, United States Code, and Chapter 106, title 10, United States Code.

(2) Renames Title VII of the Department of Defense Authorization Act, 1985 (Public Law 98-525) as the "Montgomery GI Bill Act of 1984."

(3) Expands the declared purposes of the New GI Bill to include:

(a) Extension of the benefits of a higher education to qualifying men and women who might not otherwise be able to afford such an education;

(b) Provision for vocational readjustment and restoration of lost educational opportunities to those servicemen and women who served on active duty after June 30, 1985; and

(c) Enhancement of our Nation's competitiveness through the development of a more highly educated and productive work force.

Background: On October 19, 1984, Public Law 98-525 was signed into law. Title VII of this act established, for the first time, a GI Bill for the All-Volunteer Force. The New GI Bill consists of two components— the program of educational assistance for active duty service personnel (Chapter 30, title 38, U.S.C.) and the educational assistance program for members of the Selected Reserve (Chapter 106, title 10, U.S.C.).

As originally enacted, the New GI Bill was established as a three year test program. Participation in the Chapter 30 program was limited to those individuals initially entering on active duty from July 1, 1985 through June 30, 1988. Only those individuals who enlisted, reenlisted, or extended in the Selected Reserve between July 1, 1985, and June 30, 1988, could establish eligibility under the Chapter 106 program. Public Law 100-48 eliminates the 1988 termination date, thus establishing the New GI Bill as a permanent program.

The Chapter 30 program, which is funded and administered by the Veterans' Administration, generally provides that a servicemember initially entering on active duty after June 30, 1985, is entitled to basic educational assistance benefits unless the servicemember declines participation in the New GI Bill. In exchange for three years of honorable active duty service, an individual is entitled to $300 per month for a maximum of 36 months of full-time school attendance, a total of $10,800 in educational assistance. A two-year tour of duty entitles an individual to a benefit level of $250 per month for a maximum of 36 months of full-time school attendance, a total of $9,000. Active duty New GI Bill participants agree to a nonrefundable, $100 per month reduction in their basic pay for 12 months. The services may provide and fund additional benefits, known as "kickers," to qualified recruits who enlist for hard-to-fill occupational specialties.

Under the Chapter 106 program, members of the Selected Reserve who enlist, reenlist, or extend for a period of not less than six years after June 30, 1985, are entitled to educational assistance benefits of up to $5,040 ($140 per month for 36 months of full-time school attendance) for undergraduate training at institutions of higher learning. No reduction in pay is required under this program. This program is funded by the Department of Defense and administered by the Veterans' Administration.

The New GI Bill was established to accomplish two purposes. First and foremost, the program was created to assist in the readjustment of veterans to civilian life following their separation from military service. Additionally, the New GI Bill was designed to assist in the recruitment and retention of high quality personnel by the Armed Forces.

The New GI Bill is already a proven success. Because of the benefits provided under this program, hundreds of thousands of young people, who otherwise might not have been able to afford post-secondary training, can now go to college or pursue additional education when they complete their military service. Most important, they will know they earned this educational assistance through service to their country.

The New GI Bill has also proven to be a strong, cost-effective recruitment and retention tool for our Armed Forces. The participation rate in all services is high. At the time H.R. 1504 was being considered by the Congress, over 293,000 active duty young people had signed up and close to 55,000 members of the Selected Reserve had already initiated college training under the program. [As of October 31, 1988, more than 616,000 service members had signed up for the active duty program and 104,000 members of the National Guard and Reserves had trained under the program provided for them.] Statistics compiled by the U.S. Army demonstrate the recruiting power of the New GI Bill. Today, more than 90 percent of Army recruits are high school graduates compared to 54 percent in 1980. The percentage of recruits scoring in the upper half of the Armed Forces Qualification Test (AFQT) increased from 26 to 63 percent during the same period. During the first year of New GI Bill availability, high quality male recruits increased 10 percent over the previous year. The Army has estimated that this increase in high quality recruits has resulted in an annual cost avoidance of $234 million due to reduced indiscipline, reduced attrition, and lower training costs.

The first year impact of the New GI Bill on Army Reserve recruitment has been equally impressive. High quality recruits in this reserve component increased 24 percent and six-year enlistments increased 28 percent over the year prior to the implementation of the New GI Bill.

The other services are as enthusiastic as the Army in their support for the New GI Bill. The Navy, Air Force, and Marine Corps rate this new educational assistance program as a critical component of their recruiting package.

The New GI Bill has proven to be a popular, effective program. Because it is now a permanent program with a clear future, our nation's young people will know that their desire to serve their country as members of the Armed Forces will be rewarded with

educational assistance benefits. Public Law 100-48 has also put to rest the uncertainty within the military about the future of the program. The Armed Forces would have had no other post-service educational assistance program to offer new recruits entering service if the New GI Bill had been allowed to expire.

Effective Date: Date of enactment.

Cost: The Congressional Budget Office estimates there will be no cost associated with the enactment of H.R. 1085, as amended.

Legislative History

CONGRESSIONAL RECORD, VOL. 133 (1987)

March 11: H.R. 1085, as amended, reported by Committee on Veterans' Affairs by unanimous voice vote, House Report 100-22, Part 1.

March 11: H.R. 1085, as amended, reported by Committee on Armed Services, H. Rept. 100-22, Part 2.

March 17: H.R. 1085, as amended, passed House by vote of 401 yeas to 2 nays.

May 8: H.R. 1085, as amended, passed Senate, with amendments, by vote of 89-0.

May 13: House agreed, with an amendment, to Senate amendments to H.R. 1085, as amended.

May 13: Senate concurred in House amendment to Senate amendments to H.R. 1085, amended.

June 1: Approved by the President.

Veterans' Housing Program Amendments of 1987

Public Law 100-136

(S. 1691, AS AMENDED)

Title: To provide interim extensions of collection of the Veterans' Administration housing loan fee and of the formula for determining whether, upon foreclosure, the Veterans' Administration shall acquire the property securing a guaranteed loan.

Summary: S. 1691 (as amended): (1) Extends the 1 percent loan origination fee program from September 30, 1987 to November 15, 1987.

(2) Extends the Veterans' Administration's property acquisition formula from September 30, 1987 to November 15, 1987.

(3) Requires that Veterans' Administration loan portfolio sales continue to be made with recourse (repurchase agreements).

Effective Date: October 1, 1987.

Legislative History

CONGRESSIONAL RECORD, VOL. 133 (1987)

Sept. 17: S. 1691 passed Senate by voice vote.

Oct. 1: S. 1691 passed House with amendment in the nature of a substitute.

Oct. 1: Senate concurred in amendments of the House to S. 1691, as amended.

Oct. 16: Approved by the President.

VETERANS HOME LOAN PROGRAM IMPROVEMENTS AND PROPERTY REHABILITATION ACT OF 1987

PUBLIC LAW 100-198

(H.R. 2672, AS AMENDED)

Title: To amend title 38, United States Code, for the purpose of improving veterans' housing programs.

Summary: H.R. 2672 (as amended): (1) Revises the formula used by the Veterans' Administration to guarantee loans by changing the maximum VA loan guaranty from 60 percent up to a maximum of $27,500 to 50 percent for loans under $45,000, and 40 percent for loans over $45,000 with a maximum guaranty of $36,000 and a minimum guaranty of $22,500. The new loan guaranty formula applies to loans approved by the VA for which guaranty commitments are issued after December 31, 1987, and loans for which settlement occurs after January 31, 1988.

(2) Changes the maximum VA loan guaranty for a mobile home, mobile home lot, or mobile home and lot from 50 percent of the loan amount up to $20,000 to 40 percent not to exceed $20,000. This change applies to loans approved by the VA for which guaranty commitments are issued after December 31, 1987 and loans for which settlement occurs after January 31, 1988. Also provides that a loan for mobile homes, mobile home lot, or mobile home and lot shall be limited to 95 percent of the purchase price.

(3) Extends the 1 percent loan fee until September 30, 1989.

(4) Clarifies that the exemption from the loan fee for veterans receiving or entitled to receive VA compensation, and surviving spouses of veterans who died from a service-connected disability contained in current law also includes such surviving spouses who themselves are veterans.

(5) Requires the VA for 3 years beginning March 1, 1988, upon receipt of a 90-day default notice from the lender, to provide the veteran with information regarding alternatives to foreclosure appropriate to the veteran's particular circumstances such as the availability of counseling, the liabilities of the VA and the veteran in the event of foreclosure, and possible methods of curing the default and, to the extent possible, counseling. This requirement would not apply if the Administrator has found the lender to have demonstrated a record of consistently providing veterans with such information on a timely basis.

(6) Changes the Veterans' Administration property acquisition formula by stopping accrual of interest for calculation purposes in certain instances for fiscal years 1989 and 1990.

(7) Changes the percentage of VA acquired properties that must be financed by the VA upon resale from at least 60 percent but not more than 75 percent to at least 50 percent but not more than 65

percent for a period of 3 years or during fiscal years 1988, 1989 and 1990.

(8) Limits vendee loans for purchasers of VA foreclosed property to 95 percent of the purchase price of the property until September 30, 1990. The Administrator would be permitted to waive the 5 percent downpayment requirement when the loans include an amount for rehabilitation of the property.

(9) Authorizes the Administrator to increase vendee loans to prospective purchasers of VA foreclosed property by an amount necessary for rehabilitation purposes until September 30, 1990 for loans made 30 days after December 21, 1987. Requires the Administrator to submit a report on the program to the Committees on Veterans' Affairs by March 1, 1990.

(10) Redefines occupancy requirements in certain cases for refinancing and loan origination purposes for loans made more than 30 days after December 21, 1987.

(11) Authorizes discounts on the sale of VA difficult-to sell foreclosed properties to nonprofit organizations for use as shelters for homeless veterans and their families during fiscal years 1988, 1989 and 1990. The interests of the defaulting veterans must be protected, the local zoning laws respected, and the intended use of the property be compatible with the area where it is located.

(12) Authorizes 25 percent discounts on foreclosed properties, during fiscal years 1988, 1989 and 1990, to purchasers who agree to employ veterans through the Veterans' Job Training Act to rehabilitate the property. Preference will be given in the resale of the rehabilitated properties to veterans.

(13) Requires that creditworthiness evaluations be made for assumed loans and if the purchaser is approved, the veteran will be automatically released from liability should the purchaser default on the assumed loan. This provision is effective with respect to loans for which commitments are made on or after March 1, 1988.

(14) Specifies certain qualifications persons must meet to be designated as an appraiser.

(15) Authorizes appraisal reports to be sent directly to approved lenders for expedited review and reasonable value determination through fiscal year 1990.

(16) Exempts the VA's Home Loan Guaranty Program from Public Law 99-177, Gramm-Rudman-Hollings, and makes a technical change in how certain benefits are to be reduced in the event of sequestration.

(17) Requires the VA to list foreclosed properties with real estate brokers.

Effective Date: Date of enactment except where noted.

Cost: The Congressional Budget Office estimates the cost of Public Law 100-198 to be -$53 million in budget authority and -$53 million in outlays for fiscal year 1988; -$49 million in budget authority and -$49 million in outlays for fiscal year 1989; and, 0 in budget authority and -$38 million in outlays for fiscal year 1990.

LEGISLATIVE HISTORY

CONGRESSIONAL RECORD, VOL. 133 (1987)

July 30: H.R. 2672, as amended, reported by Committee on Veterans' Affairs. H. Rept. 100–257.

Aug. 3: H.R. 2672, as amended, passed House under suspension of the rules.

Oct. 30: Senate passed H.R. 2672, as amended, with amendments.

Nov. 17: House agreed, with amendments, to the Senate amendments to H.R. 2672, as amended.

Dec. 4: Senate concurred in the amendments of the House to the Senate amendments to H.R. 2672, as amended.

Dec. 21: Approved by the President.

VETERANS' COMPENSATION COST-OF-LIVING ADJUSTMENT ACT OF 1987

PUBLIC LAW 100–227

(H.R. 2945, AS AMENDED)

Title: To amend title 38, United States Code, to provide a 4.2 percent cost-of-living adjustment in the rates of Veterans' Administration disability compensation for veterans and dependency and indemnity compensation for survivors and an increase in the number of vocational training evaluations of veteran-pensioners; and to amend the Veterans' Job Training Act to extend the deadline for veterans to apply for participation.

TITLE I—COMPENSATION

Summary: H.R. 2945, as amended provides a 4.2 percent (with amounts less than $1.00 rounded down to the next lower dollar) cost-of-living adjustment in the rates of disability compensation and dependency and indemnity compensation (DIC), effective December 1, 1987 for:

(1) Veterans receiving compensation benefits for service-connected disabilities;

(2) Surviving spouses and children of veterans who died of service-connected causes in receipt of dependency and indemnity compensation (DIC);

(3) Eligible veterans and surviving spouses who require the regular aid and attendance of another person in their day-to-day activities;

(4) Eligible veterans in receipt of the housebound allowance;

(5) Certain veterans paid additional amounts for dependents;

(6) Veterans whose service-connected disabilities require the wearing or use of a prosthetic or orthopedic appliance which tends to wear or tear the clothing (from $365 to $380);

(7) Surviving spouses in receipt of additional DIC for each child of the veteran under age 18 (from $58 to $60 monthly); and,

(8) Spouses' housebound rate (from $73 to $76 monthly).

COMPENSATION AND DIC RATES EFFECTIVE DECEMBER 1, 1987

		Increase (monthly rate)	
		From	To
Percentage of disability or subsection under which payment is authorized:			
(a)	10 percent	$69	$71
(b)	20 percent	128	133
(c)	30 percent	194	202
(d)	40 percent	278	289
(e)	50 percent	394	410
(f)	60 percent	496	516
(g)	70 percent	626	652
(h)	80 percent	724	754
(i)	90 percent	815	849
(j)	100 percent	1,355	1,411
Higher statutory awards for certain multiple disabilities:			
(k)	(1) Additional monthly payment for anatomical loss, or loss of use of, any of these organs: one foot, one hand, blindness in one eye (having light perception only), one or more creative organs, both buttocks, organic aphonia (with constant inability to communicate by speech), deafness of both ears (having absence of air and bone conduction)—for each loss.	63	63
	(2) Limit for veterans receiving payments under (a) to (j) above	1,684	1,754
	(3) Limit for veterans receiving benefits under (l) to (n) below	2,360	2,459
(l)	Anatomical loss or loss of use of both feet, one foot and one hand, blindness in both eyes (5/200) visual acuity or less), permanently bedridden or so helpless as to require aid and attendance.	1,684	1,754
(m)	Anatomical loss or loss of use of both hands, or of both legs, at a level preventing natural knee action with prosthesis in place or of 1 arm and 1 leg at a level preventing natural knee or elbow action with prosthesis in place or blind in both eyes, either with light perception only or rendering veteran so helpless as to require aid and attendance.	1,856	1,933
Percentage of disability or subsection under which payment is authorized:			
(n)	Anatomical loss of both eyes or blindness with no light perception or loss of use of both arms at a level preventing natural elbow action with prosthesis in place or anatomical loss of both legs so near hip as to prevent use of prosthesis, or anatomical loss of 1 arm and 1 leg so near shoulder and hip to prevent use of prosthesis.	2,111	2,199
(o)	Disability under conditions entitling veterans to two or more of the rates provided in (1) through (n), no condition being considered twice in the determination, or deafness rated at 60 percent or more (impairment of either or both ears service-connected) in combination with total blindness (5/200 visual acuity or less) or deafness rated at 40 percent or total deafness in one ear (impairment of either or both ears service-connected) in combination with blindness having light perception only or anatomical loss of both arms so near the shoulder as to prevent use of prosthesis.	2,360	2,459
(p)	(1) If disabilities exceed requirements of any rates prescribed, Administrator of VA may allow next higher rate or an intermediate rate, but in no case may compensation exceed.	2,360	2,459
	(2) Blindness in both eyes (with 5/200 visual acuity or less) together with (a) bilateral deafness rated at 30 percent or more disabling (impairment of either or both ears service-connected) next higher rate is payable, or (b) service-connected total deafness of one ear or service-connected loss or loss of use of an extremity the next intermediate rate is payable, but in no event may compensation exceed.	2,360	2,459
	(3) Blindness with only light perception or less with bilateral deafness (hearing imnpairment in either one or both ears is service-connected) rated at 10 or 20 percent disabling, the next intermediate rate is payable, but in no event may compensation exceed.	2,360	2,459
	(4) Anatomical loss or loss of use of three extremities, the next higher rate in paragraphs (l) to (n) but in no event in excess of.	2,360	2,459
(q)	[This subsection repealed by Public Law 90–493.]		

COMPENSATION AND DIC RATES EFFECTIVE DECEMBER 1, 1987—Continued

		Increase (monthly rate)	
		From	To
(r)	(1) If veteran entitled to compensation under (o) or to the maximum rate under (p); or at the rate between subsections (n) and (o) and under subsection (k), and is in need of regular aid and attendance, he shall receive a special allowance of the amount indicated at right for aid and attendance in addition to such rates.	1,013	1,055
	(2) If the veteran, in addition to need for regular aid and attendance is in need of a higher level of care, a special allowance of the amount indicated at right is payable in addition to (o) or (p) rate.	1,509	1,572
(s)	Disability rated as total, plus additional disability independently ratable at 60 percent or over, or permanently housebound.	1,516	1,579
(t)	[This subsection repealed by Public Law 99–576.]		

In addition to basic compensation rates and/or statutory awards to which the veteran may be entitled, dependency allowances are payable to veterans who are rated at not less than 30 percent disabled. The rates which follow are those payable to veterans while rated totally disabled. If the veteran is rated 30, 40, 50, 60, 70, 80 or 90 percent disabled, dependency allowances are payable in an amount bearing the same ratio to the amount specified below as the degree of disability bears to total disability. For example, a veteran who is 50 percent disabled receives 50 percent of the amounts which appear below.

	Increase (monthly rate)	
	From	To
If and while veteran is rated totally disabled and—		
Has a spouse	$82	$85
Has a spouse and child	138	143
Has no spouse, 1 child	57	59
For each additional child	44	45
For each dependent parent	57	59
For each child age 18–22 attending school	126	131
Has a spouse in nursing home or severely disabled	149	155

The following increases are provided for surviving spouses of deceased veterans whose deaths are service-connected and who are receiving dependency and indemnity compensation (DIC) payments.

Pay grade	Increase (monthly rate)	
	From	To
E–1	$498	$518
E–2	513	534
E–3	526	548
E–4	560	583
E–5	574	598
E–6	587	611
E–7	616	641
E–8	650	677
E–9	[1] 679	[1] 707
W–1	630	656
W–2	655	682
W–3	674	702

Pay grade	Increase (monthly rate)	
	From	To
W–4	714	743

COMPENSATION AND DIC RATES EFFECTIVE DECEMBER 1, 1987—Continued

Pay grade	Increase (monthly rate)	
	From	To
O–1	630	656
O–2	650	677
O–3	696	725
O–4	736	766
O–5	811	845
O–6	914	952
O–7	988	1,029
O–8	1,083	1,128
O–9	1,162	1,210
O–10	[2] 1,272	[2] 1,327

[1] If the veteran served as Sergeant Major of the Army, Senior Enlisted Advisor of the Navy, Chief Master Sergeant of the Air Force, Sergeant Major of the Marine Corps, or Master Chief Petty Officer of the Coast Guard, at the applicable time designated by section 402 of this title, the surviving spouse's rate shall be $763.

[2] If the veteran served as Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, Commandant of the Marine Corps or Commandant of the Coast Guard, at the applicable time designated by section 402 of this title, the surviving spouse's rate shall be $1,422.

When there is no surviving spouse receiving dependency and indemnity compensation, payment is made in equal shares to the children of the deceased veteran. These rates are increased as follows:

	Increase (monthly rate)	
	From	To
One child	$251	$261
Two children	361	376
Three children	467	486
Each additional child	94	97

TITLE II—VETERANS' EMPLOYMENT TRAINING EXTENSIONS

H.R. 2945, as amended, also: (1) Extends the deadline by which a veteran must apply to participate in the on-the-job training program for Vietnam Era and Korean Conflict veterans established under the Veterans' Job Training Act, Public Law 98–77, from December 31, 1987 to June 30, 1988.

(2) Permits the Veterans' Administration to evaluate 3,500 veterans newly awarded non-service-connected pension during a program year (February 1—January 31) for purposes of participation in the vocational training program mandated by Public Law 98–543. Current law permits the evaluation of 2,500 veterans per program year.

Effective Date: Title I—December 1, 1987. Title II—Date of enactment.

Cost: The Congressional Budget Office estimates the cost of H.R. 2945, as amended, to be $343 million in budget authority and $307 million in outlays for fiscal year 1988; $404 million in budget authority and $405 million in outlays for fiscal year 1989; and $396 million in budget authority and $397 million in outlays for fiscal year 1990.

LEGISLATIVE HISTORY

CONGRESSIONAL RECORD, VOL. 133 (1987)

July 22: H.R. 2945, as amended, ordered reported by Committee on Veterans' Affairs by unanimous voice vote.

July 23: H.R. 2945, as amended, reported by Committee. H. Rept. 100-236.

July 28: H.R. 2945, as amended, passed House under suspension of the rules.

Dec. 17: Senate passed H.R. 2945, as amended, with an amendment in the nature of a substitute.

Dec. 18: House concurred with Senate amendments.

Dec. 31: Approved by the President.

VETERANS' HOME LOAN PROGRAM AMENDMENTS OF 1988

PUBLIC LAW 100-253

(S. 2022)

Title: To amend title 38, United States Code, to authorize reductions under certain circumstances in the downpayments required for loans made by the Veterans' Administration to finance the sales of properties acquired by the Veterans' Administration as the result of foreclosures and to clarify the calculation of available guaranty entitlement and make other technical and conforming amendments.

Background: Public Law 100-198 limited vendee loans for purchasers of Veterans' Administration foreclosed properties to 95 percent of the purchase price. The 5 percent downpayment requirement substantially hampered the VA's ability to sell foreclosed properties.

It also changed the loan guaranty formula from 60 percent of the loan up to $27,500 to 50 percent of the loan up to $45,000 and 40 percent of the loan above $45,000 with a maximum guaranty of $36,000.

Summary: Public Law 100-253 would: (1) Give discretionary authority to the Administrator to make loans up to the market value of the property to sell the foreclosed property; and,

(2) Ensure that any legislated increase in the loan guaranty amount will be in addition to whatever remaining entitlement is available to the veteran.

Effective Date: Paragraph (1)—date of enactment. Paragraph (2) applies to loans which are closed on or after February 1, 1988, except that the increase in entitlement will not apply to any loan

with a guaranty commitment made on or before December 31, 1987.

Cost: The Congressional Budget Office estimates the cost of Public Law 100–253 to be $1 million in budget authority and $1 million in outlays for fiscal year 1988 as well as $1 million in budget authority and $1 million in outlays for fiscal year 1989.

Legislative History

CONGRESSIONAL RECORD, VOL. 134 (1988)

Feb. 1: S. 2022 introduced and passed by Senate. No written report.

Feb. 17: S. 2022 passed House by voice vote.

Feb. 29: Approved by the President.

Radiation-Exposed Veterans Compensation Act of 1988

Public Law 100–321

(H.R. 1811, AS AMENDED)

Title: To amend title 38, United States Code, to provide a presumption of service connection to veterans (and survivors of such veterans) who participated in atmospheric or underwater nuclear tests as part of the United States nuclear weapons program or in the American occupation of Hiroshima or Nagasaki, Japan, and who suffer from certain diseases that may be attributable to exposure to ionizing radiation; and for other purposes.

Summary: Public Law 100–321 provides a presumption of service-connection for the following diseases which become manifest to a degree of 10 percent or more within 40 years (30 years in the case of leukemia) after the last date on which the veteran participated in atmospheric nuclear tests, had opportunity for exposure while interned as a prisoner of war in Japan during World War II, or participated in the occupation of Hiroshima and Nagasaki between August 6, 1945 and July 1, 1946. The diseases are:

1. Leukemia, other than chronic lymphocytic leukemia;
2. Cancer of the thyroid;
3. Cancer of the breast;
4. Cancer of the pharynx;
5. Cancer of the esophagus;
6. Cancer of the stomach;
7. Cancer of the small intestine;
8. Cancer of the pancreas;
9. Multiple myeloma;
10. Lymphomas (except Hodgkin's disease);
11. Cancer of the bile ducts;
12. Cancer of the gall bladder; and
13. Primary liver cancer (except if cirrhosis or hepatitis B is indicated).

Effective Date: May 1, 1988.

Cost: The Congressional Budget Office estimates the cost of the measure to be $15 million in budget authority and $12 million in

outlays for fiscal year 1988; $36 million in budget authority and $36 million in outlays for fiscal year 1989; and $37 million in budget authority and $37 million in outlays for fiscal year 1990.

Legislative History

CONGRESSIONAL RECORD, VOL. 133 (1987) AND VOL. 134 (1988)

July 22: H.R. 1811, as amended, ordered reported by Committee on Veterans' Affairs by unanimous voice vote.

July 23: H.R. 1811, as amended, reported by Committee on Veterans' Affairs, H. Rept. 100–235.

July 28: H.R. 1811, as amended, passed House under suspension of the rules.

April 25: H.R. 1811, as amended, passed Senate with an amendment in the nature of a substitute and an amendment to the title by vote of 48 yeas to 30 nays.

May 2: House agreed to Senate amendments by vote of 326 yeas to 2 nays.

May 20: Approved by the President.

Veterans' Benefits and Services Act of 1988

Public Law 100–322

(H.R. 2616, AS AMENDED)

Title: An Act to amend title 38, United States Code, to revise, improve, and extend various veterans' programs, and for other purposes.

TITLE I—HEALTH-CARE PROGRAMS

Summary: 1. H.R. 2616 as amended requires that, effective July 1, 1988, the Administrator shall furnish on an ambulatory or outpatient basis such medical services as the Administrator determines are needed to:

(a) Any veteran for service-connected disability;

(b) Any veteran with a service-connected disability rating of 50 percent or more for any disability; and,

(c) Any veteran disabled as a result of VA treatment or in pursuit of vocational rehabilitation.

2. Requires that, effective July 1, 1988, the Administrator shall furnish outpatient or ambulatory medical services reasonably necessary in preparation for or to obviate the need for hospital admission for any disability to:

(a) Any veteran with a service-connected disability rating of 30 or 40 percent; and,

(b) Any veteran whose annual income does not exceed the maximum annual rate of non-service-connected pension payable to a veteran in need of aid and attendance for any disability.

3. Provides that, effective July 1, 1988, the Administrator may furnish on an ambulatory or outpatient basis medical services

which the Administrator determines are needed to veterans in the following priority order:

(a) Any veteran who has a service-connected disability rating of less than 30 percent or any veteran for a compensation or pension examination;

(b) Former prisoners of war and veterans with eligibility based on exposure to toxic substances in Vietnam or to ionizing radiation during atmospheric detonation of a nuclear device, or who were exposed to ionizing radiation following the detonation of such devices in Japan during World War II;

(c) Veterans of the Mexican border period or World War I whose annual income exceeds the maximum annual rate of pension; and,

(d) Veterans in receipt of increased pension or compensation based on the need of regular aid and attendance or by reason of being permanently housebound but whose income is below the category A threshold ($15,833 for a single veteran or $18,999 for a veteran with one dependent).

4. Requires the Comptroller General of the United States to conduct and report on a study of the potential and current demand of Category A veterans for needed VA outpatient care, including suppressed demand for such care, and to ascertain the reasons for any denial of such care.

5. Provides that the Administrator may furnish needed domiciliary care to any veteran whose annual income does not exceed the maximum annual rate of pension payable to a veteran in need of aid and attendance or to any veteran who the Administrator determines has no adequate means of support. Veterans who were patients or residents in a State home facility or a Veterans' Administration domiciliary facility during the period January 1, 1987 through April 1, 1988 whose income exceeds the maximum annual rate of pension may remain in the State or VA facility.

6. Clarifies the Veterans' Administration definition of nursing home care to include care delivered in skilled, intermediate and combined nursing home care facilities and to exclude domiciliary care.

7. Authorizes contracts for hospital care and medical services in non-Veterans' Administration facilities to include diagnostic services on an inpatient or outpatient basis for observation or examination of a patient to determine eligibility for a benefit or service administered by the Veterans' Administration.

8. Provides authority for fee-basis care outside of the United States for service-connected disabilities related to service in the U.S. military forces of citizens of the Republic of the Philippines or Canada or elsewhere as determined by the Administrator.

9. Reduces the minimum internment period required for eligibility for outpatient dental care for former prisoners of war from six months to 90 days.

10. Repeals the mandatory transition of Vietnam Veterans readjustment counseling centers from a program operated primarily in locations apart from VA medical facilities to a program primarily operated in VA medical facilities; requires the Administrator to submit a national plan at any time except within 60 days before and 60 days after the end of a Session of Congress which sets forth

plans with respect to each readjustment counseling center in existence on February 1, 1988; and, prohibits any action being taken with respect to any center for 120 days after submission of the national plan.

11. Provides that, effective July 1, 1988, during any fiscal year in which the Administrator exercises the authority to make beneficiary travel payments, payments shall be made for travel in connection with examinations, care or treatment (i.e. hospital, nursing home, domiciliary or outpatient treatment) for which the veteran is eligible to: veterans for scheduled VA compensation and pension medical examinations; veterans for a service-connected disability; veterans with a service-connected disability rating of 30 percent or more; veterans in receipt of pension; veterans whose annual income does not exceed the maximum annual rate of pension which would be payable if such veterans were eligible for pension; veterans for whom ambulance transportation, wheelchair van transportation or other special modes of transporation are medically indicated and a determination is made by the Administrator that the veteran is unable to bear the cost of such transportation; veterans whom the Administrator determines to be unable to defray the expenses of travel; or such other persons as the Administrator determines by regulation. Eligible veterans will be responsible for the first $6 of the cost of travel to receive VA medical care. For eligible veterans whose medical conditions warrant frequent visits, the maximum monthly amount for which the veteran will be responsible is $18.

12. Requires the Administrator to facilitate the establishment and maintenance, in consultation and coordination with the Secretary of Transportation and representatives of veterans' service organizations, of a program under which such organizations or individuals volunteering their services to the VA, would take responsibility for the transportation, without reimbursement from the VA, to VA facilities of veterans primarily who reside in areas which are geographically accessible to such facilities, who seek VA benefits or services.

13. Extends the authority to provide adult day health care for three years, from September 30, 1988 to September 30, 1991.

14. Revises the report on the use of all Veterans' Administration contract authorities during the preceding fiscal year to require the report to be submitted with the annual budget submission to the Congress.

15. Permits the Administrator to conduct a 2-year pilot program to evaluate the use of mobile health care clinics for eligible veterans residing in areas at least 100 miles from the nearest VA health care facility to furnish eligible veterans with health care services at a location convenient to their residences. The pilot program may be carried out using at least two mobile health-care clinics in the Northeast, the Midwest, the South and the West subject to specific appropriations of $5,000,000 for each of fiscal years 1989 and 1990 for the program.

16. Requires the Veterans' Administration to provide information to the extent feasible for fiscal years 1986–1988 on the number of veterans being treated by the VA for mental illness disabilities on an inpatient basis and the effects of implementation of the VA's

new resource allocation methodology on the numbers of veterans being treated by the VA for mental illness disabilities.

17. Authorizes a pilot program of contract community-based residential care—for homeless chronically mentally ill veterans, veterans being furnished hospital or nursing home care by the Administrator for a chronic mental illness disability and veterans with service-connected chronic mental illness—in halfway houses, therapeutic communities, psychiatric residential treatment centers and other community-based treatment facilities for the period ending September 30, 1989. Authorizes appropriation of $6,000,000 for each of fiscal years 1988 and 1989.

18. Requires the VA to report annually not later than December 15 in each of three fiscal years beginning in 1988 on the activities of the VA in assisting homeless veterans.

19. Provides for confidentiality of medical records that identify persons with AIDS except in medical emergencies or upon written request of Federal, State or local public-health authorities charged under Federal or State law with the protection of the public health. Permits physician or professional counselor to disclose information pertaining to AIDS to spouse or sexual partner should the physician or counselor believe the patient will not provide the information to the spouse or sexual partner and disclosure is necessary to protect the health of the spouse or sexual partner.

20. Provides that there shall be no discrimination in admission or treatment of veterans solely because of alcohol or drug abuse or dependency or AIDS.

21. Provides for an information and training program for VA employees and beneficiaries relating to AIDS.

22. Prohibits widespread testing programs for AIDS unless funds have been specifically appropriated for that purpose. Permits voluntary testing for AIDS.

23. Clarifies definition of "Veterans Administration facilities" to include public or private facilities at which the VA provides recreational activities for VA hospitals, nursing home or domiciliary patients.

24. Permits the Administrator to authorize the use of the seal and other official symbols of the VA, and of the name "Veterans' Administration" by any approved organization which makes a significant gift or contribution for the support of special recreational activities which further the rehabilitation of disabled veterans.

25. Restricts the Administrator's authority to prescribe limitations on the furnishing of VA health care services to permit that authority only during times of national or regional emergencies.

26. Increases the per diem rates for payments by the Veterans' Administration to States for hospital care, domiciliary care and nursing home care in State home facilities. The per diem rate for domiciliary care would be increased from $7.30 to $8.70; the per diem rate for nursing home care would be increased from $17.05 to $20.35; and, the per diem rate for hospital care would be increased from $15.25 to $20.35 effective January 1, 1988.

27. Authorizes the VA to increase the State Home per diem rates annually, beginning in fiscal year 1989 (October 1, 1988) by a percentage not greater than the percentage increase in the cost of care in VA hospitals.

28. Adds mental illness research as a specific research mission.

29. Requires the VA to convert by January 1, 1988, in urban areas where there are significant numbers of homeless veterans, unused space in VA facilities to 500 domiciliary beds.

TITLE II.—HEALTH CARE PERSONNEL AND ADMINISTRATION

30. Directs the Administrator to take actions to improve the operation of VA health-care quality assurance programs and activities.

31. Clarifies the statute of limitations applicable to suits brought by the United States to recover costs of VA health care. Expands immunity from personal liability for VA health care providers. Removes a statutory limitation on the authority of the Administrator of Veterans' Affairs to settle administrative tort claims under the Federal Tort Claims Act by providing authority to settle claims on the same basis as is currently afforded to U.S. attorneys.

32. Authorizes the establishment of a nonprofit corporation at each VA medical center at which significant medical research is carried out to provide a funding mechanism for monies received from other than VA appropriations to conduct research projects approved at the medical center. No corporation may be established after September 30, 1991.

33. Establishes a Nursing Home Revolving Fund with monies realized from the transfer or sale of VA-owned property for the purpose of construction, alteration and acquisition of nursing home facilities. Requires that expenditures of more than $2 million from the Revolving Fund must be approved in resolutions adopted by the House and Senate Committees on Veterans' Affairs.

34. Changes, from July 1 to August 15, the date for establishing a list of approved projects, (including projects that have been conditionally approved by the Administrator) in order of priority, for grants to the States for the construction of State veterans' homes. Requires the VA to rescind approval and deobligate funds for conditionally approved projects if all requirements have not been met within the time period set by the Administrator.

35. Permits the Administrator, in order to recruit and retain pharmacists and occupational therapists, to pay them under the auspices of title 38, United States Code.

36. Authorizes the Administrator to enter into incentive bonus agreements with registered nurses (both currently employed by the VA and new hires) at facilities which are determined to have a significant shortage of registered nurses in any clinical service as follows: up to $2,000 per year for an agreement to work 2 years; $3,000 per year for an agreement to work 3 years; and, $4,000 per year for 4 years. Establishes payback requirements for not fulfilling the agreements. Authorizes the Administrator to enter into incentive bonus agreements with individuals in other health professions upon the recommendation of the Chief Medical Director that there are significant problems with respect to recruitment and retention of employees in that health profession.

37. Provides authority to pay technical medical specialists to be available for duty (on-call), in addition to their regular hours of em-

ployment, without the requirement that they remain on the facility grounds.

38. Provides authority for premium pay for duty on Saturday for nurses on the same basis current law provides for premium pay for duty on Sunday.

39. Expands eligibility for the VA's Health Professional Scholarship program to include disciplines the members of which provide direct patient care services or services incident to direct patient care.

40. Authorizes the provision of tuition reimbursement, to be paid back through VA employment, to full-time employees seeking a degree with a major in nursing with special emphasis for persons pursuing a course of study which will increase the number of nurses in the VA.

41. Updates title 38, United States Code, to reflect existing Federal pay rates. This provision would not provide any pay increase.

42. Clarifies that all matters relative to adverse personnel actions, disciplinary actions, and grievance procedures should be resolved in accordance with Title 5, United States Code, if the individuals involved are those whose appointments are made under joint Title 38/Title 5 authorities.

43. Provides that temporary workers hired only for duties directly related to the conduct of research projects in the Department of Medicine and Surgery, and who are not paid by funds appropriated to the Veterans' Administration, shall not be considered to be VA employees for purposes of any personnel ceilings which may otherwise be applied to VA employees by the President.

44. Allows waiver of licensure of medical personnel (and of internships of psychologists) whose duties do not include patient care but only in research or academic type posts, or where the duty station and the licensure are in a country other than the United States.

45. Requires that the Chief of the Nursing Service at each VA health-care facility shall be included in each policymaking committee at that facility.

46. Requires the Administrator to report to the Committees on Veterans' Affairs of the Senate and House on VA activities designed to promote increased efforts by affiliated institutions in training health-care professionals to care for older patients and research into the aging process and diseases and disabilities associated with aging.

TITLE III.—VETERANS' BENEFITS

47. Increases the specially adapted housing assistance allowance from $35,500 to $38,000 effective April 1, 1988. Increases the specially adapted housing assistance for service-connected blindness in both eyes or loss, or loss of use, of both hands from $6,000 to $6,500.

48. Increases the automobile assistance allowance from $5,000 to $5,500 effective April 1, 1988.

49. Increases the burial allowance for veterans who died as the result of a service-connected disability from $1,100 to $1,500 effective April 1, 1988.

50. Expands the Administrator's authority to recognize certain veterans interned by other than enemy governments during World War II under circumstances similar to those experienced by prisoners of war, and provides a presumption of service-connection for former prisoners of war for peripheral neuropathy, except where directly related to infectious causes; irritable bowel syndrome; or peptic ulcer disease.

51. Provides a presumption of service-connection for lupus erythematosus, systemic which became manifest to a degree of 10 percent or more within one year from the date of discharge from service.

52. Restores to a very limited number of beneficiaries Social Security equivalent benefits paid by the Veterans' Administration to survivors of veterans who died from service-connected causes and who were inadvertently omitted from the restoration of such benefits in 1982.

53. Requires the VA to consider two 50-minute laboratory periods per week of laboratory instruction as the equivalent of one quarter or one semester hour or one standard class session.

54. Provides that the Administrator may waive annual compliance surveys of each institution offering one or more courses approved for eligible veterans if the institution has demonstrated a record of compliance with Veterans' Administration requirements.

55. Permits the Administrator to increase monthly installments payable to beneficiaries receiving National Service Life Insurance, Veterans Special Life Insurance or Veterans Reopened Insurance under a life annuity settlement option. Such payments may be made only if the Administrator determines that the adjustments are administratively and actuarially sound for the program of insurance concerned.

56. Prohibits State taxation on premiums paid for Servicemen's Group Life Insurance effective with regard to premiums paid after June 30, 1988.

57. On the first day of the 4th month beginning after date of enactment, the Veterans' Administration, rather than private insurance companies, will provide mortgage protection life insurance for service-connected disabled veterans in receipt of specially adapted housing assistance. The insurance provided may not exceed the lesser of $40,000 or the amount of the loan outstanding on the housing unit. The insurance terminates upon whichever first occurs: satisfaction of the loan upon which the insurance is based; the veteran's seventieth birthday, termination of the veteran's ownership of the property, discontinuance of payment of premiums by the veteran.

58. Permits the VA to place flat markers on graves in cemeteries located on the grounds of or adjacent to a VA health-care facility, and in the national cemeteries in Riverside, CA, Bourne, MA, Augusta, MI, Indiantown Gap, PA, and the proposed national cemetery for Northern California.

59. Permits the Administrator to make contributions for construction on land adjacent to national cemeteries in order to facilitate safe ingress and egress from the cemetery.

60. Removes the requirement that no State may receive more than 20 percent of the total funds appropriated for the State Cemetery Grant program in any one year.

61. Authorizes the Administrator to provide graveliners for use in national cemeteries. The Secretary of the Army is also authorized to provide graveliners at Arlington National Cemetery.

62. Requires that 6 months after the date of enactment, the Administrator and the State of Arizona shall enter into an agreement whereby title to the Arizona National Cemetery will be conveyed to the Veterans' Administration. The State of Arizona will be obligated to provide any supplemental funding necessary to maintain the current level of operation and maintenance through the first 3 years after conveyance. The funding would be in addition to that currently paid by the Administrator for plot allowances to the State.

63. Establishes a currency fluctuation account for the American Battle Monuments Commission to protect Commission operations from the negative effects of declining dollar values abroad for fiscal year 1989 and each succeeding fiscal year.

64. Authorizes a one-time appropriation of $3 million for the Foreign Currency Fluctuations, American Battle Monuments Commission, Account.

TITLE IV.—MANAGEMENT AND ADMINISTRATION

65. Codifies the current VA practice that there must be at least two responsible, financially autonomous bidders before medical center support services may be contracted out under OMB Circular A–76.

66. Requires the Administrator, not later than October 1, 1989, to develop and fully implement a plan for purchase of medical and pharmaceutical items on an agency-wide basis. Also authorizes the Administrator to enter into multiyear contracts for procurement of supplies or services for VA health-care facilities.

67. Permanently exempts from sequestration under Public Law 99–177 vocational training benefits for service-connected disabled veterans and educational benefits for dependents and survivors of service-connected disabled veterans.

68. Directs that the Secretary of the Treasury return to the Veterans' Administration Special Therapeutic and Rehabilitation Activities Fund and the Veterans' Canteen Service revolving fund amounts sequestered under the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99–177).

69. Authorizes the Veterans Canteen Service to operate, to the extent that the Administrator determines that such operation is in the best interest of the VA and that it is practicable to do so, child care centers at VA medical centers for the children of VA employees on a fee basis sufficient to cover all costs of the operation other than the cost of services provided by the Administrator. The Administrator would provide space in existing VA facilities for the child care centers as well as custodial services and utilities.

70. Expands the Advisory Committee on Native-American Veterans to include Native Hawaiians and extends the duration of the Committee for an additional one-year period.

71. Provides that Canteen Service Revolving Funds may be deposited in other interest-bearing accounts in addition to a checking account with the Treasury of the United States and also provides that any balance remaining in the Revolving Fund at the close of a fiscal year shall no longer be required to revert to the Treasury.

72. Provides that employees of the Veterans' Canteen Service shall not be considered to be VA employees for purposes of any personnel ceilings which may otherwise be applied to VA employees by the President.

73. Prohibits transfer to another Federal agency or to a State of any interest in real property owned by the United States and administered by the Veterans' Administration which has a value estimated at more than $50,000 unless the proposed transfer was described in the budget for that fiscal year submitted to Congress and the Veterans' Administration receives compensation equal to the fair market value of the property.

74. Prohibits the Administrator from declaring as excess to the needs of the Veterans' Administration or disposing of land and improvements at the VA Medical Centers in West Los Angeles, CA and Sepulveda, CA.

75. Provides that no appropriation for any fiscal year may be made for a major medical facility unless the appropriation measure specifies the amount to be appropriated for that project or lease and the project or lease has been approved in a resolution adopted by the Committee on Veterans' Affairs of each body of the Congress.

76. Permits the Secretary of Labor to use 20.6 acres of land and a former VA hospital which the Department of the Air Force was operating, under a no-cost use agreement with the Veterans' Administration in Minot, North Dakota. The Secretary must use the land as a site for a Job Corps Center, and the property remains under the jurisdiction of the Veterans' Administration.

77. Names the Veterans' Administration Medical Center in Shreveport, Louisiana the "Overton Brooks Veterans' Administration Medical Center."

Effective Date: Date of enactment, except where noted.

Cost: The Congressional Budget Office estimates the cost of Public Law 100–322 to be $52 million in budget authority and $48 million in outlays for fiscal year 1988; $155 million in budget authority and $154 million in outlays for fiscal year 1989; and, $167 million in budget authority and $172 million in outlays for fiscal year 1990.

Legislative History

CONGRESSIONAL RECORD, VOL. 133 (1987) AND VOL. 134 (1988)

June 25: H.R. 2616, as amended, reported by Committee on Veterans' Affairs. House Report 100–191.

June 30: H.R. 2616, as amended, passed House by vote of 217 yeas and 0 nays.

Dec. 4: H.R. 2616, as amended, amended in Senate with language of S. 9.

March 29: House agreed, with amendments, to Senate amendments to H.R. 2616, as amended.

March 30: Senate disagreed to House amendments to Senate amendments to H.R. 2616, as amended, and requested a conference.
April 21: Report of Conference Committee, H. Rept. 100-578.
April 27: House agreed to conference report on H.R. 2616, as amended, by vote of 416 yeas to 0 nays.
April 28: Senate agreed to conference report.
May 20: Approved by the President.

VETERANS' EMPLOYMENT, TRAINING, AND COUNSELING AMENDMENTS OF 1988

PUBLIC LAW 100-323

(S. 999, AS AMENDED)

Title: To amend title 38, United States Code, and the Veterans' Job Training Act to improve veterans employment, counseling, and job-training services and programs; and for other purposes.

Background.: Through the years, Congress has established a number of programs to maximize employment opportunities for those who served in our Armed Forces. Overall, these programs have been effective and countless veterans have been placed in meaningful employment as a result of these programs. Nonetheless, testimony received during hearings on chapter 41 of title 38, United States Code, which provides for job counseling, training and placement services for veterans, indicated that job descriptions and responsibilities under this chapter were unclear, resulting in reduced services to our Nation's veterans. As a result of these hearings, H.R. 3460, as amended, was reported by the House Committee on Veterans' Affairs (H. Rept. 100-387) and passed the House on October 27, 1987. Provisions similar to H.R. 3460, as amended, were incorporated into S. 999, as amended, and will clarify and strengthen these programs.

During hearings on the Veterans' Job Training Act, the Committee was told that the program has been a success and should be extended and adequately funded. Accordingly, Public Law 100-323 contains provisions which would accomplish these recommendations and take further steps to improve this employment program for long-term unemployed veterans of the Korean Conflict and the Vietnam Era.

Summary: Public Law 100-323: 1. Clarifies the role of the Assistant Secretary of Labor for Veterans' Employment and Training (ASVET) as the official in the Department of Labor (DOL) with primary responsibility for veterans' employment and training programs and establishes the responsibility of the ASVET to ensure that veterans are fully served under all DOL employment and training programs.

2. Requires that the necessary funds be made available for use in each State to support the required number of Disabled Veterans' Outreach Program specialists (DVOPs) and Local Veterans' Employment Representatives (LVERs) and to support the reasonable expenses of DVOPs and LVERs for training, travel, supplies, and fringe benefits.

3. Requires the Secretary to monitor and supervise the distribution and use of funds provided for DVOPs and LVERs.

4. Requires the ASVET to promote and monitor participation of qualified veterans and eligible persons in employment and training opportunities under the Job Training Partnership Act and other Federally funded employment and training programs.

5. Codifies the position of Regional Administrator for Veterans' Employment and Training.

6. Requires that not later than February 1 of each year the Secretary of Labor shall report to the House and Senate Committees on Veterans Affairs on the success during the preceding year of the Department of Labor and its affiliated State employment service agencies in carrying out the provisions of Chapter 41 and programs for the provision of employment and training services to meet the needs of eligible veterans and eligible persons.

7. Requires that funding be made available in the States to support 1,600 full-time LVERs.

8. Clearly defines the responsibilities of LVERs.

9. Clarifies that each LVER shall be administratively responsible to the manager of the local employment service office and requires each LVER to provide quarterly reports to the office manager and the Director for Veterans' Employment and Training for the State regarding compliance with Federal law and regulations with respect to special services and priorities for eligible veterans and eligible persons.

10. Requires each State employment service agency to develop and apply standards for the performance of DVOPs and LVERs consistent with the duties and functions specified in Chapter 41, title 38, United States Code.

11. Requires the Secretary of Labor, after consultation with State employment agencies or their representatives, to provide a prototype of performance standards to be used by the agencies in development of the performance standards for DVOPs and LVERs.

12. Provides that if, in appointing a Director or Assistant Director for Veterans Employment and Training for any State, the Secretary determines that there is no qualified veteran available who meets the residency requirement, the Secretary may appoint any qualified veteran as Director or Assistant Director.

13. Requires the Secretary of Defense to provide to the Secretary of Labor and the Administrator of Veterans' Affairs any list maintained by the Secretary of Defense of employers participating in the National Committee for Employer Support of the Guard and Reserve.

14. Requires the Administrator to provide to the appropriate employment service offices and DOL offices, at least monthly, the name and address of each employer located in the area served by these offices that offer a job training program approved for VJTA.

15. Clarifies and expands the responsibilities of Directors for Veterans' Employment and Training to include the following:

functional supervision of the provision of services to eligible veterans and eligible persons by the Employment Service system and other pertinent programs; monitoring the implementation of veterans preference in Federal agencies; and monitoring the listing of job vacancies with the Job Service by Federal agencies.

16. Clarifies and expands the responsibilities of DVOPs to include the provision of vocational guidance or vocational counseling services to veterans and the provision of services as a case manager under VJTA.

17. Requires the Secretary of Labor to establish and provide necessary funds to operate a National Veterans' Employment and Training Services Institute for the training of DVOPs, LVERs, and other personnel involved in the provision of employment, job-training, counseling, placement or related services to veterans.

18. Requires the Secretary of Labor, through the Bureau of Labor Statistics, to conduct, on a biennial basis, studies of unemployment among special disabled veterans and veterans who served in the Vietnam Theater of Operations during the Vietnam era and promptly report to the Congress on the results of these studies.

19. Broadens membership on the Secretary of Labor's Committee on Veterans' Employment to include a representative of the Secretary of Education, the Postmaster General, and any other agency which has had its request to have a representative on the committee approved by the Secretary.

20. Requires the Administrator to provide a program of job-readiness skills development services designed to assist veterans in finding, applying for, and successfully participating in a suitable program under VJTA.

21. Requires the Administrator to disapprove participation in an employer's program of training under VJTA if the Administrator determines that the rate of veterans' successful completion of an employer's program is disproportionately low because of deficiencies in the quality of the program.

22. Authorizes $60 million for fiscal year 1988 and fiscal year 1989 for VJTA.

23. Extends the deadline by which a veteran must apply to participate in an on-the-job training program approved under VJTA to September 30, 1989.

24. Extends the deadline by which a veteran participant in VJTA must be enrolled in a job training program to March 31, 1990.

25. Requires the Administrator to conduct an in-depth analysis of VJTA.

26. Revises the funding process for State approving agencies (SAAs) and provides for the establishment of qualification and performance standards for agency personnel.

27. Expands the Commission on Veterans' Education Policy to include the Assistant Secretary of Defense for Force Management and Personnel as an ex officio member.

28. Makes changes in the nomenclature for various positions and entities.

90-187 - 88 - 3

Effective Date: In general, the provisions of Public Law 100–323 are effective on the date of the enactment. Provisions regarding funding for DVOPs, LVERs, and SAAs become effective for all of fiscal year 1988 and subsequent fiscal years. Sections 4-11 of Public Law 100–323 become effective on the 60th day after the date of the enactment.

Cost: The Congressional Budget Office estimates the cost of Public Law 100–323 to be $62 million in budget authority with no outlays in fiscal year 1988 and $74 million in budget authority and $86 million in outlays in fiscal year 1989.

Legislative History

CONGRESSIONAL RECORD, VOL. 133 (1987) AND VOL. 134 (1988)

June 30: H.R. 1504, as amended, (H. Rept. 100–192), passed House by vote of 417 yeas to 7 nays.

Aug. 4: H.R. 1504, as amended, passed Senate with language of S. 999.

Dec. 19: Proceedings of August 4 vitiated.

Dec. 19: S. 999, as amended, passed Senate.

April 27: S. 999, as amended, passed House by vote of 417 yeas and 0 nays with an amendment in the nature of a substitute.

April 28: Senate concurred in the amendments of the House to S. 999, as amended.

May 20: Approved by the President.

Veterans' Benefits Improvements Act of 1988

Public Law 100–687

(S. 11, AS AMENDED)

Title: An Act to amend title 38, United States Code, to establish certain procedures for the adjudication of claims for benefits under laws administered by the Veterans' Administration; to apply the provisions of section 553 of title 5, United States Code, to rulemaking procedures of the Veterans' Administration; to establish a Court of Veterans' Appeals and to provide for judicial review of certain final decisions of the Board of Veterans' Appeals; to provide for the payment of reasonable fees to attorneys for rendering legal representation to individuals claiming benefits under laws administered by the Veterans' Administration; to increase the rates of compensation payable to veterans with service-connected disabilities; and to make various improvements in veterans' health, rehabilitation, and memorial affairs programs; and for other purposes.

Summary: Judicial Review: (1) Permits judicial review of an expanded category of decisions of the Administrator of Veterans' Affairs and clarifies that the Administrator must resolve all questions of law and fact necessary to a decision by the Administrator under a law that affects the provision of benefits to veterans or dependents or survivors of veterans.

(2) Establishes an independent U.S. Court of Veterans' Appeals (hereinafter referred to as the Court) in the executive branch, simi-

lar to existing Article I Courts such as the Court of Military Appeals and the Tax Court, to review decisions of the Board of Veterans' Appeals (hereinafter referred to as the Board). The Administrator of Veterans' Affairs may not seek review of any Board decision.

(3) Provides the Court with jurisdiction to affirm, modify or reverse a decision of the Board or to remand the matter, as appropriate. The schedule for rating disabilities prescribed under 38 U.S.C. 355, is not subject to review by the Court. A determination by the Court as to any factual matter would be final and not subject to review in any other court. Decisions on legal matters could be reviewed by the U.S. Court of Appeals for the Federal Circuit (hereinafter referred to as the Federal Circuit Court).

(4) Requires that the Court be composed of a chief judge, and not more than 6 nor less than 2 associate judges, with each to serve a term of 15 years. Requires that judges be appointed by the President, with the advice and consent of the Senate. The chief judge will receive the same salary as judges of the United States Court of Appeals (presently $95,000). Associate judges will receive the same salary as judges of the United States District Court (presently $89,500). Judges may be removed only for neglect of duty, misconduct, engaging in the practice of law, or because of physical or mental disability. Not more than half plus one of the judges may be from the same political party. The President must nominate a Chief Judge between January 21 and April 1, 1989, and associate judges may be appointed after February 1, 1989.

(5) Authorizes the Court to employ such employees as may be necessary to execute the functions of the Court. Such positions may be classified based upon the classification of comparable employees in the judicial branch.

(6) Permits the Court to hear cases by judges sitting alone or in panels of at least 3 judges. The principal office of the Court will be in the District of Columbia.

(7) Authorizes the Court to establish its own rules of practice and procedure. Authorizes the Court to hold persons appearing before it in contempt for misbehavior or disobedience of its lawful orders.

(8) Permits the Court to impose a fee of not more than $50 for the filing of any appeal with the Court. The fee may be waived in the case of hardship, and may be adjusted periodically based upon inflation and similar fees charged by other courts.

(9) Permits the Court to allow, in addition to members of the bar, other persons to practice before the Court who meet standards of proficiency prescribed in rules of practice of the Court. The Administrator of Veterans' Affairs will be represented before the Court by the VA General Counsel.

(10) Authorizes judicial review of a final Board decision which is adverse to the claimant upon filing of a notice of appeal with the Court within 120 days after the Board's mailing of notice of the final decision.

(11) Provides that decisions of a panel or judge would become the decision of the Court after 30 days, unless within that time a further review by an enlarged section of the Court is ordered. A decision by such an enlarged section would constitute the decision of the Court.

(12) Provides that all decisions of the Court and transcripts of its hearings would be public records except when the Court determines it is necessary to protect such records to prevent the disclosure of confidential information.

(13) Permits a claimant to reclaim original documents from the Court after a decision becomes final.

(14) Authorizes the Court to publish decisions in such a form and manner as may be best adapted for public use and information and provides that authorized publication would be evidence of reports of the Court in all courts of the United States and the several States. Requires the reports to be subject to sale in the same manner and on the same terms as other public documents.

(15) Authorizes the Court to establish a fee, not to exceed that charged by district courts, for preparing or comparing a transcript of the record or for copying any other papers.

(16) Authorizes the Court to impose a periodic registration fee, not to exceed $30 per year, on persons admitted to practice before the Court.

(17) Provides that a decision of the Court would become final generally if the time for filing an appeal to the Federal Circuit Court has expired without an appeal being filed (generally 60 days). If an appeal is filed, the finality of the decision will be dependent upon further action being taken by the Federal Circuit Court or the Supreme Court in either affirming, modifying, or dismissing the appeal.

(18) Provides that any decision of the Court may be reviewed with respect to the validity of any statute or regulation (except the schedule of ratings for service-connected disabilities) relied on by the Court in making the decision.

(19) Requires that such a review be obtained by filing a notice of appeal with the Court within the time and in the manner prescribed for appeal to the U.S. Court of Appeals from U.S. District Courts. The Federal Circuit Court may not review a factual determination or a challenge to a law or regulation as applied in a particular case unless a constitutional issue is involved.

(20) Requires the application of the rulemaking provisions of the Administrative Procedure Act, (5 U.S.C. 553) to any matter relating to loans, grants, or benefits under laws administered by the Veterans' Administration.

(21) Provides that the schedule of ratings for service-connected disabilities will not be subject to review by any court.

(22) Codifies the burden of proof and reasonable doubt standards in VA claims adjudication proceedings and codifies the current practice of requiring the reopening of a previously disallowed claim, upon presentation of new and material evidence, at a VA regional office.

(23) Establishes a procedure under which the Administrator can obtain independent medical expert opinions while a case is pending before a VA regional office.

(24) Requires the Administrator, at both the regional office and Board levels, to furnish a claimant with notice that an independent medical expert opinion has been requested. Requires the Administrator to furnish a claimant with a copy of such an opinion.

(25) Prohibits fees to attorneys prior to the rendering of the final Board decision and authorizes the payment of reasonable attorneys' fees thereafter as follows:

(a) For services of an attorney retained within 1 year from the final Board decision;

(b) For representation of individuals before the Court, and appellate review of decisions made by the Court.

(26) Requires the filing of a copy of any fee agreement between the attorney and the claimant with either the VA or the Court, or both.

(27) Authorizes the Administrator or the Court, on his or her own initiative, or by request of the appellant, to review a fee agreement and order a reduction if the fee is found to be excessive or unreasonable. Such fee reduction orders would not be subject to review by any other court.

(28) Requires the Board to employ sufficient numbers of members and personnel to dispose of appeals in a timely manner.

(29)(a) Provides that, on or after February 1, 1989, the Chairman of the Board shall be appointed by the President, with the advice and consent of the Senate, for a term of 6 years. The Chairman may be removed only by the President for misconduct, inefficiency, neglect of duty or engaging in the practice of law or for physical or mental disability.

(b) The salary of the Chairman will be that paid at Executive Level IV.

(30) Requires that members of the Board be appointed by the Administrator of Veterans' Affairs with the approval of the President, based upon recommendations of the Chairman of the Board, for terms of 9 years. Members of the Board may be removed by the Administrator upon the recommendation of the Chairman on the same basis as administrative law judges are subject to removal. Initially, members of the Board shall be appointed as follows:

(a) 22 Members for a period of 3 years;

(b) 22 Members for a period of 6 years;

(c) 22 Members for a period of 9 years.

(31) Members of the Board who are serving on the date of enactment of Public Law 100–687 may continue to serve until the earlier of the date on which a successor is appointed or the expiration of the 180-day period after the appointment of the Chairman of the Board.

(32) Provides that decisions of the Board be by a majority vote and that such a decision is final unless the Chairman orders a reconsideration. Such a reconsideration must be deliberated by an expanded panel of Board members.

(33) Specifies that the Board decision is to be made after giving the claimant an opportunity for a hearing and must be made on the evidence and material of record.

(34) Requires that Board decisions include findings and conclusions and reasons and bases therefor, on all material issues of fact and law and that the Board mail a copy of the decision to the claimant and the claimant's authorized representative.

(35) Allows a claimant to request a hearing before a traveling section of the Board and requires that the scheduling of such hearings be in the order in which the requests are received.

COMPENSATION

(36) Provides a 4.1 percent cost-of-living adjustment (with amounts less than $1.00 rounded down to the next lower dollar) in the rates of disability compensation and dependency and indemnity compensation (DIC), effective December 1, 1988 for:

(1) Veterans receiving compensation benefits for service-connected disabilities;

(2) Surviving spouses and children of veterans who died of service-connected causes in receipt of dependency and indemnity compensation (DIC);

(3) Eligible veterans and surviving spouses who require the regular aid and attendance of another person in their day-to-day activities;

(4) Eligible veterans in receipt of the housebound allowance;

(5) Certain veterans paid additional amounts for dependents;

(6) Veterans whose service-connected disabilities require the wearing or use of a prosthetic or orthopedic appliance which tends to wear or tear the clothing (from $380 to $395);

(7) Surviving spouses in receipt of additional DIC for each child of the veteran under age 18 (from $60 to $62 monthly); and,

(8) Spouses' housebound rate (from $76 to $79 monthly).

COMPENSATION AND DIC RATES EFFECTIVE DECEMBER 1, 1988

		Increase (monthly rate)	
		From	To
Percentage of disability or subsection under which payment is authorized:			
(a)	10 percent	$71	$73
(b)	20 percent	133	138
(c)	30 percent	202	210
(d)	40 percent	289	300
(e)	50 percent	410	426
(f)	60 percent	516	537
(g)	70 percent	652	678
(h)	80 percent	754	784
(i)	90 percent	849	883
(j)	100 percent	1,411	1,468
Higher statutory awards for certain multiple disabilities:			
(k)	(1) Additional monthly payment for anatomical loss, or loss of use of, any of these organs: one foot, one hand, blindness in one eye (having light perception only), one or more creative organs, both buttocks, organic aphonia (with constant inability to communicate by speech), deafness of both ears (having absence of air and bone conduction)—for each loss.	63	63
	(2) Limit for veterans receiving payments under (a) to (j) above	1,754	1,825
	(3) Limit for veterans receiving benefits under (l) to (n) below	2,459	2,559
(l)	Anatomical loss or loss of use of both feet, one foot and one hand, blindness in both eyes (5/200) visual acuity or less), permanently bedridden or so helpless as to require aid and attendance.	1,754	1,825
(m)	Anatomical loss or loss of use of both hands, or of both legs, at a level preventing natural knee action with prosthesis in place or of 1 arm and 1 leg at a level preventing natural knee or elbow action with prosthesis in place or blind in both eyes, either with light perception only or rendering veteran so helpless as to require aid and attendance.	1,933	2,012

COMPENSATION AND DIC RATES EFFECTIVE DECEMBER 1, 1988—Continued

		Increase (monthly rate)	
		From	To
Percentage of disability or subsection under which payment is authorized:			
(n)	Anatomical loss of both eyes or blindness with no light perception or loss of use of both arms at a level preventing natural elbow action with prosthesis in place or anatomical loss of both legs so near hip as to prevent use of prosthesis, or anatomical loss of 1 arm and 1 leg so near shoulder and hip to prevent use of prosthesis.	2,199	2,289
(o)	Disability under conditions entitling veterans to two or more of the rates provided in (1) through (n), no condition being considered twice in the determination, or deafness rated at 60 percent or more (impairment of either or both ears service-connected) in combination with total blindness (5/200 visual acuity or less) or deafness rated at 40 percent or total deafness in one ear (impairment of either or both ears service-connected) in combination with blindness having light perception only or anatomical loss of both arms so near the shoulder as to prevent use of prosthesis.	2,459	2,559
(p)	(1) If disabilities exceed requirements of any rates prescribed, Administrator of VA may allow next higher rate or an intermediate rate, but in no case may compensation exceed.	2,459	2,559
	(2) Blindness in both eyes (with 5/200 visual acuity or less) together with (a) bilateral deafness rated at 30 percent or more disabling (impairment of either or both ears service-connected) next higher rate is payable, or (b) service-connected total deafness of one ear or service-connected loss or loss of use of an extremity the next intermediate rate is payable, but in no event may compensation exceed.	2,459	2,559
	(3) Blindness with only light perception or less with bilateral deafness (hearing imnpairment in either one or both ears is service-connected) rated at 10 or 20 percent disabling, the next intermediate rate is payable, but in no event may compensation exceed.	2,459	2,559
	(4) Anatomical loss or loss of use of three extremities, the next higher rate in paragraphs (l) to (n) but in no event in excess of.	2,459	2,559
(q)	[This subsection repealed by Public Law 90–493.]		
(r)	(1) If veteran entitled to compensation under (o) or to the maximum rate under (p); or at the rate between subsections (n) and (o) and under subsection (k), and is in need of regular aid and attendance, he shall receive a special allowance of the amount indicated at right for aid and attendance in addition to such rates.	1,055	1,098
	(2) If the veteran, in addition to need for regular aid and attendance is in need of a higher level of care, a special allowance of the amount indicated at right is payable in addition to (o) or (p) rate.	1,572	1,636
(s)	Disability rated as total, plus additional disability independently ratable at 60 percent or over, or permanently housebound.	1,579	1,643
(t)	[This subsection repealed by Public Law 99–576.]		

In addition to basic compensation rates and/or statutory awards to which the veteran may be entitled, dependency allowances are payable to veterans who are rated at not less than 30 percent disabled. The rates which follow are those payable to veterans while rated totally disabled. If the veteran is rated 30, 40, 50, 60, 70, 80 or 90 percent disabled, dependency allowances are payable in an amount bearing the same ratio to the amount specified below as the degree of disability bears to total disability. For example, a veteran who is 50 percent disabled receives 50 percent of the amounts which appear below.

	Increase (monthly rate)	
	From	To
If and while veteran is rated totally disabled and—		
Has a spouse	$85	$88
Has a spouse and child	143	148
Has no spouse, 1 child	59	61
For each additional child	45	46
For each dependent parent	59	61
For each child age 18–22 attending school	131	136
Has a spouse in nursing home or severely disabled	155	161

The following increases are provided for surviving spouses of deceased veterans whose deaths are service-connected and who are receiving dependency and indemnity compensation (DIC) payments.

Pay grade	Increase (monthly rate)	
	From	To
E–1	$518	$539
E–2	534	555
E–3	548	570
E–4	583	606
E–5	598	622
E–6	611	636
E–7	641	667
E–8	677	704
E–9	[1] 707	[1] 735
W–1	656	682
W–2	682	709
W–3	702	730
W–4	743	773
O–1	656	682
O–2	677	704
O–3	725	754
O–4	766	797
O–5	845	879
O–6	952	991
O–7	1,029	1,071
O–8	1,128	1,174
O–9	1,210	1,259
O–10	[2] 1,327	[2] 1,381

[1] If the veteran served as Sergeant Major of the Army, Senior Enlisted Advisor of the Navy, Chief Master Sergeant of the Air Force, Sergeant Major of the Marine Corps, or Master Chief Petty Officer of the Coast Guard, at the applicable time designated by section 402 of this title, the surviving spouse's rate shall be $794.

[2] If the veteran served as Chairman or Vice-Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, Commandant of the Marine Corps or Comandant of the Coast Guard, at the applicable time designated by section 402 of this title, the surviving spouse's rate shall be $1,480.

When there is no surviving spouse receiving dependency and indemnity compensation, payment is made in equal shares to the children of the deceased veteran. These rates are increased as follows.

	Increase (monthly rate)	
	From	To
One child	$261	$271
Two children	376	391
Three children	486	505

	Increase (monthly rate)	
	From	To
Each additional child	97	100

MISCELLANEOUS

(37) Permits $3 million in Veterans' Administration funds appropriated in fiscal year 1984 for the Agent Orange epidemiological study to remain available until September 30, 1989, and to be transferred to the Department of the Air Force for use in conducting blood tests of individuals participating in the Ranch Hand epidemiological study. Also authorizes $1 million of VA funds appropriated in fiscal year 1984 to be used for a review of the scientific literature pertaining to health effects of exposure to dioxin.

(38) Extends, from September 30, 1989 to December 31, 1990, the provision of Veterans' Administration basic health-care services for veterans' disabilities if it is found that the veteran, during active duty, may have been exposed in Vietnam to any toxic substance in a herbicide or defoliant, or to ionizing radiation from the testing of a nuclear device following World War II.

(39) Provides that payments received as a result of the settlement of the Agent Orange Product Liability Litigation in the United States District Court for the Eastern District of New York shall not be counted as income for non-service-connected pension purposes.

(40) Requires the VA to conduct an outreach program to notify Vietnam veterans of health risk from exposure to herbicides in Vietnam, if any, as information becomes available.

(41) Requires, effective March 1, 1989, that at least one-third of the Ranch Hand Study Advisory Committee be composed of qualified scientists nominated by veterans' organizations. Provides that the Chairman of the Advisory Committee may be a government scientist if the Secretary of Health and Human Services determines that a qualified non-government scientist is not available.

(42) Extends the temporary program for trial work periods and vocational rehabilitation for certain veterans with service-connected disabilities rated at 100% based upon unemployability from January 31, 1989 to January 31, 1992.

(43) Provides that educational or vocational counseling services obtained by the Veterans' Administration by contract shall, subject to a $5 million limitation in any fiscal year, be paid from funds appropriated to the VA for readjustment benefits effective October 1, 1988 (fiscal year 1989 and thereafter).

(44) Expands the category of those eligible for the non-service-connected pensioners' vocational training program to include veterans awarded pension benefits prior to February 1, 1985.

(45) Extends the temporary program of vocational training for recipients of non-service-connected pension from January 31, 1989 to January 31, 1992. Also extends for 3 years, from January 31, 1989 until January 31, 1992, the protection of pensioners' VA health-care eligibility if they lose pension entitlement as a result of participation in the program.

(46) Provides that interest may be paid on the proceeds of National Service Life Insurance, Veterans' Special Life Insurance and Veterans Reopened Insurance policies, which mature after the date of enactment of this legislation, from the date of maturity to the date of payment of the proceeds to the beneficiary.

(47) Provides for higher discount rates for premiums paid in advance on VA life insurance policies.

(48) Clarifies that payments received as casualty loss reimbursements shall not be counted as income for purposes of non-service-connected pension benefits.

(49) Modifies the length of marriage criteria for surviving spouses, for payment of Dependency and Indemnity Compensation, of service-connected disabled veterans who were rated totally disabled for ten years prior to death but whose death was not service-connected. No length of marriage requirement will be applicable if a child was born to the veteran and the surviving spouse.

(50) Permits the Administrator of Veterans' Affairs to relocate a Veterans Readjustment Counseling Center (Vet Center) in existence on January 1, 1988 without regard to the national plan for Vet Centers if the relocation is away from a VA facility and the relocation was necessitated by circumstances beyond the control of the VA. Such a relocation may take place only after the end of the 30-day period following the date on which the Administrator notifies the Committees on Veterans' Affairs of the House and Senate of the proposed relocation. This authority would not apply with respect to the relocation of 17 Vet Centers from their current locations to other facilities away from a VA facility which were described in a July 25, 1988 letter from the Chief Medical Director to the Committees on Veterans' Affairs of the House and Senate.

(51) Extends for one year, from September 30, 1989 to September 30, 1990, the authority for grants to the Veterans' Memorial Medical Center in the Philippines and authorizes an appropriation of $1 million per year for such grants. Reports on the use of such grant funds are due to the Committees on Veterans' Affairs on Feb. 1 of 1989 and 1990.

(52) Clarifies that the VA may employ pharmacists and occupational therapists in temporary full-time positions.

(53) Clarifies that participants in the Veterans' Administration tuition reimbursement program who fail to maintain VA employment while pursuing a course of study paid for by the VA would be liable for amounts that have been paid or are payable by the VA on their behalf rather than treble damages.

(54) Clarifies eligibility for outpatient care for veterans with service-connected disabilities rated at 30 or 40 percent, who have incomes at or below the VA pension standard, who are former prisoners of war, who are World War I veterans, or who are in receipt of compensation of less than 30%, pension aid and attendance or housebound benefits, and makes pre-hospital and obviate-the-need contract care authority available for certain veterans with incomes above the pension aid and attendance level. This clarification applies to medical services provided by contract between May 20, 1988 and the date of enactment of this legislation.

(55) Requires the VA to transfer to the State of Tennessee approximately seven acres of land, together with improvements, at

the Alvin C. York VA Medical Center in Murfreesboro, Tennessee for the construction of a State veterans nursing home.

(56) Permits the VA to transfer land, which is excess to the needs of the VA, to States for use as a State nursing home or domiciliary facility provided:

(a) That the State has assured the VA that there are sufficient resources to construct and operate such a facility;

(b) That 90 days notice, to be received by June 1 of the year in which such a transfer is proposed, is provided by the VA to the Committees on Veterans' Affairs of the House and Senate.

(57) Permits directors of VA medical facilities who are appointed under section 4103(8) of title 38, United States Code, and who are not physicians, to convert to the Senior Executive Service. Provides that current appointees may elect, within 60 days of date of enactment of this legislation, to retain their title 38, United States Code, status.

(58) Delays, until May 20, 1989, the implementation of the prohibition on procuring health care items under local contracts, and delays until 1992 the requirement for an annual report on procurement of health care items. Expands the multiyear procurement authority to include non-medical items.

(59) Clarifies that the time frame for the clinical evaluation of the alcohol and drug abuse program is during the period beginning on December 1, 1988, and ending on October 1, 1997.

(60) Extends the program of grants to States to establish, plan or improve State veterans cemeteries for five additional years, or through fiscal year 1994.

(61) Directs the American Battle Monuments Commission to restore, operate, and maintain the Pacific War Memorial and other historical and memorial sites on Corregidor in the Republic of the Philippines.

(62) Requires the Administrator of Veterans' Affairs and the Secretary of Labor, to the maximum extent feasible, to submit with the President's budget submission for each fiscal year the estimated amount in each of the appropriation requests that is to be obligated for services or benefits for veterans who performed active military, naval, or air service in combat with the enemy or in a theatre of combat operations during a period of war or other hostilities.

Effective Dates: Paragraphs 1-27—September 1, 1989; Paragraph 28—January 1, 1989; Paragraph 29 (a)—February 1, 1989, (b) date of enactment; Paragraphs 30 and 31—date of enactment; Paragraphs 32-35—January 1, 1989. Paragraph 36 (compensation increases)—December 1, 1988; Paragraphs 37-62—date of enactment except where noted.

Note: Changes providing for review by the Court of Veterans Appeals and the provisions pertaining to charging for attorneys services apply to cases in which a notice of disagreement is filed with the VA after the date of enactment of this Act.

Cost: The Congressional Budget Office estimates the cost of Public Law 100-687 to be $358 million in budget authority and $319 million in outlays for fiscal year 1989; $432 million in budget authority and $428 million in outlays for fiscal year 1990; $416 million in budget authority and $417 million in outlays for fiscal year 1991.

Legislative History: Congressional Record, Vol. 134 (1988).

July 7: S. 11 reported by Senate Veterans' Affairs Committee. S. Report 100-218.

July 11: S. 11 passed Senate.

Sept. 23: H.R. 5288, as amended, reported by House Committee on Veterans' Affairs. H. Rept. 100-963.

Oct. 3: S. 11, amended with language of H.R. 5288, as amended, passed House by vote of 400 yeas to 0 nays.

Oct. 18: Senate concurred in the House amendment to S. 11, with an amendment.

Oct. 19: House agreed, with amendments, to the Senate amendments to S. 11.

Oct. 20: Senate agreed to House amendments.

Nov. 18: Approved by the President.

Veterans' Benefits and Programs Improvement Act of 1988

Public Law 100-689

(S. 2049, as amended)

Title: An Act to amend title 38, United States Code, to improve the education, home loan guaranty, and other programs of the Veterans' Administration; and for other purposes.

Summary: Title I—Education Programs: (1) Provides a death benefit to certain survivors of a Montgomery GI Bill (MGIB) participant who dies on active duty. The benefit amount would equal the amount reduced from the participant's basic pay under the program, minus any amount of educational assistance paid to the individual. The benefit would be payable for MGIB participants who were enrolled in the program on or after July 1, 1985.

(2) Provides entitlement to education benefits for a MGIB participant who is discharged due to a pre-existing medical condition and, as a result, does not meet the length-of-service requirements for entitlement to benefits. Entitlement is provided at a rate of one month of educational assistance for each month of continuous active duty served by the program participant after July 1, 1985.

(3) Provides entitlement to education benefits for a MGIB participant who is discharged involuntarily for the convenience of the Government as a result of a reduction in force and, as a result, does not meet the length-of-service requirements for entitlement to benefits. Entitlement is provided at a rate of one month of educational assistance for each month of continuous active duty served by the program participant after July 1, 1985. The effective date of this provision is October 1, 1987.

(4) Provides that during the period beginning December 1, 1988, and ending June 30, 1989, active duty service personnel who first became a member of the Armed Forces or first entered on active duty between July 1, 1985 through June 30, 1988 will have the opportunity to withdraw an election not to participate in the MGIB. The decision to withdraw the earlier election must be on a form prescribed by the Secretary of Defense.

(5) Requires that servicemembers with eligibility for the Vietnam Era GI Bill, who served on active duty from October 19, 1984 through June 30, 1988, must have received a secondary school diploma or an equivalency certificate by December 31, 1989 in order to be eligible to receive MGIB benefits after December 31, 1989.

(6) Authorizes the payment of benefits under the Montgomery GI Bill-Active Duty, the Veterans' Educational Assistance Program (VEAP), and under chapter 35 (Survivors and Dependents Educational Assistance Program) for refresher/deficiency courses. The effective date of this provision is August 15, 1989.

(7) Authorizes the payment of benefits under the Montgomery GI Bill-Active Duty and VEAP for individualized tutorial assistance.

(8) Authorizes the payment of benefits under the Montgomery GI Bill-Active Duty and VEAP for cooperative training. The effective date of this provision is January 1, 1989.

(9) Provides that, for the purposes of any provision relating to the extension of a delimiting period under any education benefit or rehabilitation program administered by the Veterans' Administration, the disabling effects of chronic alcoholism shall not be considered to be the result of willful misconduct.

(10) Permits individuals training under the Montgomery GI Bill-Selected Reserve program to attend school on a less than half-time basis.

(11) Eliminates the requirement under current law that an individual complete 180 days in the Selected Reserve before receiving educational assistance under the Montgomery GI Bill-Selected Reserve program.

(12) Authorizes a one-time opportunity for a student who is using Veterans' Administration education benefits to withdraw from a course or courses which are not used in computing requirements for graduation (not exceeding 6 semester hours or the equivalent) without being required to repay benefits retroactively to the beginning of the term. The effective date of this provision is June 1, 1989.

(13) Eliminates or reduces benefit payments to incarcerated veterans participating in the Veterans' Educational Assistance Program (VEAP) in accordance with the principles applicable to incarcerated veterans under other VA programs of educational assistance.

(14) Extends the existence of the Veterans' Advisory Committee on Education from December 31, 1989, until December 31, 1993.

TITLE II—REHABILITATION FOR VETERANS WITH SERVICE-CONNECTED DISABILITIES

(15) Expands opportunities for service-connected disabled veterans in VA rehabilitation training to include unpaid training or work experience with State or local government agencies. Only Federal agencies are currently permitted to provide unpaid training or work.

(16) Authorizes the Veterans' Administration to use for-profit organizations to provide employment assistance to disabled veterans and for conducting programs of independent living services for severely handicapped veterans when the Administrator determines

that comparable services are not available from, or cannot be provided cost-effectively through, public or non-profit organizations.

TITLE III—HOME LOAN GUARANTY PROGRAM

(17) Requires the Veterans' Administration to offer below-market interest rates on vendee loans under circumstances where it is determined that this reduced rate is necessary in order to market foreclosed properties competitively.

(18) Imposes the creditworthiness requirements and 0.5 percent fee applicable for assumptions of VA guaranteed loans to vendee loans sold by the VA with recourse.

(19) Expands the VA's authority to pay from the Loan Guaranty Revolving Fund certain additional administrative expenses so as to cover supplementary contractual services and equipment purchases.

TITLE IV—EMPLOYMENT

(20) Coordinates services and benefits for veterans seeking employment assistance from the Department of Labor and the Veterans' Administration.

TITLE V—EXTENSIONS OF EXPIRING AUTHORITIES

(21) Extends for three years, from September 30, 1988 to September 30, 1991, the Veterans' Administration's authority to contract with halfway houses and other community treatment facilities for treatment of veterans with alcohol or drug abuse disabilities.

(22) Extends the authority to operate the Veterans' Administration Regional Office in the Republic of the Philippines from September 30, 1988 until September 30, 1991.

Effective Date: Date of enactment except where noted.

Cost: The Congressional Budget Office estimates the cost of S. 2049, as amended, to be -$21 million in budget authority and -$18 million in outlays for fiscal year 1989; $3 million in budget authority and $2 million in outlays for fiscal year 1990; and $18 million in budget authority and $18 million in outlays for fiscal year 1991.

Legislative History: Congressional Record, Vol. 134 (1988).

April 22: S. 2049 reported by Senate Committee on Veterans' Affairs. S. Rept. 100-323.

April 28: S. 2049 passed Senate.

Oct. 12: S. 2049, as amended, passed House by voice vote.

Oct. 20: Senate concurred with House amendments.

Nov. 18: Approved by the President.

ACTIVITIES OF THE SUBCOMMITTEES

SUBCOMMITTEE ON HOSPITALS AND HEALTH CARE

First Session

The subcommittee held 9 legislative and oversight hearings during the First Session of the 100th Congress.

The February 3 and 4, 1987, hearing of the full Committee on the VA's proposed budget for fiscal year 1988 and the subcommittee's March 11, 1987, hearing on the VA medical construction budget pointed out the growing disparity between the Administration's funding request and the health care needs of the veteran population.

Much of the subcommittee's agenda during the First Session was oriented to the quality of care delivered to all categories of eligibility for VA medical care with particular emphasis on medical care program management, including a state-of-the-art medical information system, the recruitment and retention of medical care personnel, the provision of extended care to meet the projected increase in the elderly population of the United States, which is being experienced earlier in the veteran population, outpatient care to meet the demands of a changing practice of medicine, care for homeless veterans, care for veterans with AIDS, and research.

Several actions concerning fiscal year 1987 were proposed along with the proposed fiscal year 1988 budget. These included a supplemental request for $75 million for a civilian pay raise and $132 million for Federal Employees Retirement System (FERS) costs. However, this was only half of the total pay raise cost; the other half would be absorbed in the VA's budget. In addition, a proposed fiscal year 1987 $75 million rescission that accompanied the proposed fiscal year 1988 budget would have eliminated funding to provide hospital, outpatient, and nursing home care services to nonservice-connected veterans in eligibility Category C (single veterans with an income of $20,000 or more and $25,000 or more with one dependent) during the last 5 months of fiscal year 1987. This new policy could have had a significant long-term influence on the delivery of health care in the Veterans' Administration. In addition, it is a policy that is inconsistent with Congressional intent which allows care to be furnished to such veterans if resources and facilities are available and if the veteran agrees to make certain payments to the VA.

The Administration's fiscal year 1988 budget package proposed to reduce health care by 9,686 inpatient beneficiaries treated and 113,000 medical outpatient visits. This workload reduction was the result of total staff cuts of 3,810 fewer medical staff comprised of 1,400 FTEE in fiscal year 1987 (proposed in a fiscal year 1987 rescission that was submitted along with the proposed fiscal year 1988 budget) and a cut of 2,410 FTEE proposed for fiscal year 1988.

The eligibility for veterans established by Public Law 99–272 sets out three groups: Category A, for whom the VA is required to provide care, includes service-connected, low income and certain other veterans; Category B and C veterans are those not in Category A.

What Category B and C veterans have in common is that the VA may furnish them needed hospital care if resources are available.

The eligibility for medical care for veterans in Categories B and C within the available resources is intended—and historically has been intended under various previous eligibility arrangements—to ensure that the VA medical care system is fully utilized. The reason for incorporating this flexibility is that demand for medical care is random: no one can predict exactly on a given day how many people will need and apply for care. Over time it is possible to mathematically predict on the average how many beds a defined population may need, but from day to day the capacity to provide care may vary from no extra beds available to many extra beds available. This same variability in demand occurs with other factors of medical care as well. Thus, at a given time, after Category A veterans have been treated, any extra capacity, often referred to as "available resources," is to be used expressly to care for Category B and C veterans.

The Committee concurred in rejecting the proposed rescission for fiscal year 1987 and in restoring the proposed decrease of $92.186 million and 2,350 FTEE for fiscal year 1988 in order to maintain a current services budget. The Committee recommendations were accepted by the Committee on the Budget and the full House. Additionally, the Committee recommended rejection of the proposed "one percent productivity increase" which would have decreased the VA's budget by $58.297 million and 1,911 FTEE in fiscal year 1988. The Committee also recommended that outpatient clinics be established in Ocean County in southern New Jersey; in Lufkin, Texas; and in Lawton, Oklahoma; and that $15 million be added to the budget for the clinical addition, renovation of building 2 and the Spinal Cord Injury Center at Dallas VAMC. Another recommendation was the addition of $30 million for the treatment of patients with AIDS.

Two other significant legislative actions also had an impact on the Veterans' Administration medical programs budget during the First Session of the 100th Congress. The Department of Defense Authorization Act for fiscal year 1988 provided authority for the Defense agencies to transfer $20 million to the VA for a cooperative medical research program with the Veterans' Administration. The Continuing Resolution for fiscal year 1988 appropriated funds for this authorization.

The second legislative action was Public Law 100–6, making emergency additional funds available for fiscal year 1987 for the Emergency Food and Shelter Program of the Federal Emergency Management Agency, which provided for the transfer to the VA medical care account of some $5 million from funds previously appropriated for fiscal year 1987, to be available through the end of fiscal year 1987 to carry out the new contract authority granted to the VA in that law. The contract authority, codified at section 620(c) of title 38, U.S.C., would allow the VA to furnish community-based residential treatment to chronically mentally ill homeless veterans.

The subcommittee's March 11, 1987, hearing on the medical construction authorization request of the Veterans' Administration for fiscal year 1988 focused on the necessity of providing adequate hos-

pital facilities since, without such facilities, the VA cannot deliver quality health care to veterans.

The Veterans' Administration fiscal year 1988 budget request contained no funds for nursing home construction. With our rapidly aging veteran population and the demand for nursing home care at an all time high, the subcommittee believed that this was not realistic and recommended the addition of funds for construction or design of four nursing homes for the fiscal year 1988 budget to the full Committee. Nine Members of Congress testified at this hearing regarding the need for construction of new nursing home facilities.

On April 8, 1987, the subcommittee held a hearing on the status of the VA's Decentralized Hospital Computer Program (DHCP). The subcommittee heard testimony from Veterans' Administration medical center officials from across the Nation that the DHCP was working and that it should not be terminated in favor of another system which would be more costly and less user friendly.

The subcommittee's April 22, 1987, hearing focused on the implementation of eligibility reforms under Public Law 99-272, which redefined veterans' eligibility for VA medical care; the status of recruitment and retention of VA health care personnel; and H.R. 1659, which proposed to increase the per diem reimbursements paid to State veterans' homes and clarify the authority of the VA to award grants for State veterans' homes during the fourth quarter of fiscal year 1987. The subcommittee was particularly concerned about shortages of VA health care personnel, especially nurses, pharmacists, respiratory therapists, physical therapists and licensed practical nurses.

On May 20, 1987, the subcommittee held a hearing on various legislative proposals to improve the delivery of health care to our nation's veterans. Testimony was received on H.R. 2327, a bill to require that the VA provide beneficiary travel to certain service-connected and low-income veterans; H.R. 2146, to extend the transition period for the Vet Center program from one providing counseling services primarily through storefront locations to services provided in VA medical centers; and H.R. 2616, legislation to assist the VA in recruitment and retention of health care personnel, especially nurses and pharmacists.

The subcommittee, on June 17, 1987, received testimony on Acquired Immune Deficiency Syndrome (AIDS) and its impact upon the VA health care delivery system. As a result, H.R. 2881, to establish a National Commission on AIDS, was recommended to and reported by the full Committee. In addition, the subcommittee held two field hearings—one in San Francisco, CA on August 21 and one in New York, NY on October 30—on the impact and cost to VA facilities of AIDS.

The subcommittee held a hearing on September 9, 1987, to receive testimony on the Veterans' Administration's program of medical research. The subcommittee heard testimony on all aspects of the VA's medical, prosthetic and rehabilitation research programs.

On September 23, 1987, the subcommittee received testimony on the creation of a Medical Inspector General in the Veterans' Administration as well as H.R. 3161, to authorize procreative services to overcome the effects of a service-connected disability which prevents or impairs the ability to conceive a child.

SECOND SESSION

Final action on H.R. 2616, as amended, did not take place until the second session of the 100th Congress, with the Committee on Conference agreeing on a final version of the bill in the latter part of April. The legislation was approved by the President on May 20, 1988 and became Public Law 100–322. One provision of this legislation mandated for the first time that the VA provide outpatient care to certain categories of veterans and established eligibility for outpatient care in priority order. The increasing emphasis on outpatient care is illustrated by the fact that the VA had approximately 23.2 million outpatient visits in fiscal year 1988, an increase of nearly 1.4 million from fiscal year 1987, while inpatient care provided continued at the fiscal year 1987 level—approximately 1.2 million.

The subcommittee held 6 legislative and oversight hearings during the Second Session of the 100th Congress.

The subcommittee's March 16, 1988 hearing on the Veterans' Administration's Medical Construction Budget for fiscal year 1989 illustrated the continuing disparity between the Administration's funding request and the health care needs of the aging veteran population. Without adequate facilities, it is impossible to deliver quality health care.

The Administration requested $500 million in construction funds for the fiscal year 1989 VA budget, which was a 4.2 percent decrease, or $22.1 million, from the fiscal year 1988 construction level. Therefore, our Committee recommended to the Budget Committee an increase of $15 million for design funds for the clinical addition and spinal cord injury center at the Dallas VA Medical Center and $16.4 million for three nursing homes in Mountain Home, Tennessee; Wilkes-Barre, Pennsylvania; and Gainesville, Florida.

On March 30, 1988, the subcommittee held an oversight hearing on the status of the Department of Medicine and Surgery's Decentralized Hospital Computer Program (DHCP), as well as other Department of Medicine and Surgery computer programs and plans to upgrade or enhance these programs. DHCP systems for registration, admissions, scheduling and outpatient pharmacy are now operational in 169 VA hospitals and 55 outpatient clinics. Other systems to support laboratory and inpatient pharmacy are also widely implemented. For the veteran patient, the automated system translates into less waiting time for appointments and prescriptions. For physicians diagnosing and treating the veteran patient, the system now provides faster, more accurate lab information. Also of interest to the subcommittee was the award of a Department of Defense contract for its hospital system. The system to be installed will use software based on VA software. All of the software developed by the VA has been placed in the public domain and taxpayers are receiving a double or additional benefit as a result. Since the VA health care delivery system serves as backup to the Department of Defense in time of war or national emergency, compatibility between the two agencies' computer systems is essential.

The subcommittee received testimony on May 4, 1988 on draft legislative initiatives to deal with the problems of recruiting and retaining health care professionals, especially in the nursing field, as well as provisions to extend expiring programs; to repeal regulations permitting only a 45-day extension of the authority for non-service-connected, six-month, community based nursing home care and require the VA to return to the previous regulations which allowed medical judgment to determine extensions beyond the six-month limit; and to transfer title of certain medical equipment from the VA to State medical schools. Ultimately, this draft legislation became H.R. 5114, as amended, which passed the House on September 22, 1988 by a vote of 406 to 0. Certain provisions in H.R. 5114, as amended, were included in S. 11 which became Public Law 100-687 on November 18, 1988.

On June 8, 1988, the subcommittee heard testimony on the status, findings, and interpretations of scientific research related to the health of Vietnam veterans, including health related to exposure to Agent Orange. This was the 15th such hearing conducted by the Committee on Veterans' Affairs or its Subcommittees since 1978. Public Law 96-151 required a study of the relationship between exposure to Agent Orange and the health of Vietnam veterans. The Centers for Disease for Control (CDC) assumed responsibility for the conduct of the Agent Orange study. From 1983 through 1986, the United States Army, Joint Services Environmental Support Group and the CDC attempted to establish a scientifically valid exposure index based on information contained in military records. It was finally concluded that such a valid exposure index was not possible without an independent method of verification and the CDC advised the subcommittee that the Agent Orange study was not possible. This conclusion was upheld by the Office of Technology Assessment at the June 8th hearing.

However, a subsequent scientific breakthrough allowing the presence of dioxin in human blood to be measured offers the opportunity to assess exposure without reliance on such written records. Taking actual measures of residual dioxin and linking them with health status measures will permit a study of the health effects of dioxin exposure. A provision in H.R. 5114, as amended, permitted the transfer of $3 million in Veterans' Administration funds appropriated in fiscal year 1984 for the Agent Orange epidemiological study to remain available until September 30, 1989 to the Department of the Air Force for use in conducting blood tests of individuals participating in the Ranch Hand epidemiological study, since Ranch Handers were the group which had handled and sprayed Agent Orange in Vietnam. This provision was ultimately included in Public Law 100-687.

On September 7, 1988, the subcommittee held a hearing on the status of VA's Department of Medicine and Surgery operating funds. Based on information received from Members, veterans' service organizations and individual veterans that the VA health care delivery system was not delivering services as intended by the Congress, the Committee surveyed each of the VA hospitals to assess the ability and capacity of the VA to deliver health care to veterans. The survey revealed that the capacity of the VA medical system to deliver care has decreased substantially. It seemed ap-

parent that this fiscal ill-health may have been incubating for a period of time, but was not reflected in official testimony or reports to either the subcommittee or the full Committee. At the September 7th hearing, the Administrator of Veterans' Affairs continued to insist all was well throughout the system, which was directly contrary to information provided to the Committee by hospital directors in the survey as well as in testimony during the hearing. It appears evident that a supplemental appropriation for the fiscal year 1989 VA medical care budget will be necessary as early as possible in the 101st Congress.

On December 2, 1988, the subcommittee held an oversight hearing at the VA Medical Center in Dublin, Georgia on the impact of the Veterans' Administration's budget situation on the delivery of care to veterans living in rural areas. VA studies are ongoing to determine the advisability of discontinuing the surgical service at the Dublin VA Medical Center as well as other rural VA hospitals. No decision regarding the Dublin surgical service has yet been made. However, it appears that termination of surgical services at Dublin, as well as other VA rural medical centers, could result in decreased health care for veterans and increased beneficiary travel payments as well as costs incurred at the Dublin Medical Center in converting operating rooms and surgical beds to other uses.

H.R. 2881, to establish a National Commission on AIDS, was passed by the House on August 4, 1987. This legislation was incorporated into S. 2889 which became Public Law 100-607 on November 4, 1988.

The Chairman, as well as other Committee on Veterans' Affairs members, were deeply involved in legislation emanating from other committees which will benefit veterans' medical programs. The Veterans' Administration will receive $20 million in fiscal year 1989 as a result of a transfer from the Department of Defense for the VA/DOD Cooperative Research Program. These funds were included in the Department of Defense Appropriation for fiscal year 1989 to be used for medical research of interest to both the VA and the Department of Defense.

Public Law 100-628, the Stewart B. McKinney Homeless Assistance Act of 1988, which was approved by the President on November 7, 1988, authorized $15 million for the treatment of homeless chronically mentally ill veterans in VA medical facilities and $15 million for the conversion of unused space in VA domiciliaries to provide domiciliary care for homeless veterans.

S. 2852, the Anti-Drug Abuse Act of 1988, which was approved by the President on November 18, 1988 and is Public Law 100-690, authorized a total of $45 million for the next 3 years to provide care to eligible veterans with alcohol or drug abuse dependencies. It also authorizes $1 million for the evaluation of VA inpatient and outpatient drug and alcohol treatment programs and exempts veterans benefits from termination should recipients be convicted of drug offenses.

SUBCOMMITTEE ON COMPENSATION, PENSION AND INSURANCE

First Session

The Subcommittee on Compensation, Pension and Insurance has jurisdiction over matters affecting the VA service-connected disability and death compensation programs and the non-service-connected disability and death pension programs, as well as the various life insurance programs administered or supervised by the VA.

During the First session the subcommittee held two legislative hearings, one executive (markup) session, and four oversight hearings.

On April 9, 1987 the subcommittee held a legislative hearing on several bills affecting the service-connected disability compensation and dependency and indemnity compensation (DIC) programs, including, most notably, H.R. 1084, to provide a 3.5 percent cost-of-living adjustment in these monthly benefits. Testimony was also received on legislation (H.R. 1543 and H.R. 1544) to liberalize eligibility criteria for dental care for former prisoners of war, to expand the definition of the term "former prisoner of war", and to establish statutory presumptions of service connection for three diseases applicable to this group. Finally, testimony was heard on H.R. 1427, that would make minor modifications to, and recodify, provisions contained in section 410(b) of title 38, United States Code.

On May 7, 1987 the subcommittee conducted an oversight hearing on the operation of the VA compensation and pension programs with special emphasis on the quality and timeliness of claims adjudication. The subcommittee heard from various VA officials, including several adjudication officers from VA field stations, and representatives from the major veterans organizations. The primary conclusions reached were that, due to recurring cutbacks in staffing levels, the VA adjudication divisions are continually falling behind in meeting timeliness standards and that such cutbacks are also having an impact on the VA's ability to maintain a high level of quality in its claims decisions.

On May 20, 1987 the subcommittee held a legislative hearing on a bill, H.R. 1811, that would establish a statutory presumption of service connection for several cancer-related diseases suffered by certain veterans who, while on active duty, participated in atmospheric tests of nuclear devices or the occupation of Hiroshima and Nagasaki, and were exposed to low levels of ionizing radiation. Testimony presented by witnesses confirmed the tremendous degree of uncertainty within the medical and scientific community that the long-term hazardous effects of exposure received by such individuals, which may never be fully ascertained. Nonetheless, the thrust of much of the testimony was that many of these individuals are suffering from cancer-related diseases at an abnormally high rate.

On June 17, 1987 the subcommittee held a markup session and approved for the full committee H.R. 1084 (4.1 percent COLA), incorporating certain provisions of H.R. 1427, H.R. 1543 and H.R. 1811.

On June 24, 1987, the subcommittee held a joint oversight hearing with the Subcommittee on Education, Training and Employ-

ment on the progress of the temporary programs of vocational training for certain veterans receiving service-connected disability compensation and non-service-connected disability pension. The general purpose of the hearing was to provide the subcommittee with a basis for determining whether to extend the duration of these programs beyond January 31, 1989 and whether other modifications should be made.

On September 10, 1987 the subcommittee held an annual oversight hearing on the operation of the VA insurance programs, receiving testimony from VA officials from the Philadelphia Insurance Center and various representatives of veterans organizations.

Finally, on October 6, 1987 the subcommittee conducted an annual oversight hearing on the operation of the VA Board of Veterans' Appeals.

The sole legislative enactment directly affecting programs within the subcommittee's jurisdiction was Public Law 100–227 which provided a 4.1 percent COLA effective December 1, 1987, in compensation and DIC rates. A discussion of its provisions is contained on page 38 of this report.

Second Session

During the second session of the 100th Congress the subcommittee held two legislative hearings, one executive (markup) session, and four oversight hearings.

On March 24, 1988 the subcommittee conducted an oversight hearing into issues raised by an audit conducted by the VA Inspector General on the estates of certain non-hospitalized veterans having neither spouse, child or dependent parents. The Inspector General's audit report concluded that a great number of large estates of these incompetent veterans are being inherited by distant relatives. The IG recommended that legislation be enacted that would limit the amount of these estates or prevent certain of these sums from being so inherited. The VA Chief Benefits Director opposed the IG recommendation on the basis that it would discriminate against incompetent veterans and create an additional administrative burden for the VA. Testimony was also heard from various officials from several VA field offices and veterans organizations. The stated goal of the subcommittee in addressing this issue was to explore what may be a reasonable way to address the problems being caused by recurring budget deficits and budget cutbacks.

On April 14, 1988 the subcommittee held a legislative hearing on H.R. 303, which would permit the concurrent receipt of VA disability compensation and military retirement pay. Testimony was presented by the Honorable Manuel Lujan, representatives from the Department of Defense and VA, and representatives from major veterans organizations.

On April 28, 1988 the subcommittee conducted a legislative hearing on two bills (H.R. 1918 and 3722) providing, in varying ways, service pensions or enhanced pensions for veterans of World War I, and on H.R. 4216, to provide a 4.5 percent cost-of-living adjustment in rates of disability compensation and dependency and indemnity compensation (DIC). Testimony on H.R. 1918 and H.R. 3722 was

presented by the Honorable Glenn Anderson, and representatives from the Veterans of World War I, as well as representatives from the VA and other major veterans organizations. All those presenting testimony on H.R. 4216 favored an appropriate COLA to offset the eroding effects of inflation on compensation and DIC benefits.

On May 26, 1988 the subcommittee conducted an oversight hearing on the quality and timeliness of claims adjudicated by the VA Department of Veterans Benefits. Testimony was presented by officials from the VA and the major veterans organizations. Again, cutbacks in staffing levels were pointed to as the primary cause for further slippage in the Department's timeliness figures. During this hearing, the subcommittee also heard testimony on various allegations of improprieties occuring in the overall claims adjudication process.

On June 2, 1988 the subcommittee held an executive (markup) session and approved for the full Committee a clean bill, H.R. 4741, to provide a 4.2 percent COLA in disability compensation and DIC rates, effective December 1, 1988.

On August 11, 1988 the subcommittee conducted an annual oversight hearing on the operation of the VA Board of Veterans' Appeals, hearing from officials of the Board and representatives of the major veterans organizations, particularly with regard to allegations of improprieties in the manner in which merit awards to Board members have been provided and general questions as to the adequacy of the administrative review process.

On September 14, 1988 the subcommittee held an annual oversight hearing on the operation of the VA insurance programs.

Legislation enacted during the Second session affecting programs under the jurisdiction of the subcommittee included Public Law 100–321 (H.R. 1811), presumptions of service connection for certain disabilities suffered by veterans exposed to low levels of ionizing radiation discussed on page 43 of this report; H.R. 100–322 (H.R. 2616), an omnibus bill affecting the compensation and pension programs as well as many other programs, discussed on page 44 of this report; and Public Law 100–687, authorizing a 4.1 percent COLA effective December 1, 1988, providing judicial review of final decisions of the Administrator, and establishing a new Article I Court of Veterans Appeals discussed at length on page 56 of this report.

SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT

The Subcommittee on Education, Training and Employment has jurisdiction over programs contained in title 38, United States Code, as follows: Montgomery GI Bill in Chapter 30; training and rehabilitation for veterans with service-connected disabilities in Chapter 31; Post-Vietnam Era Veterans' Educational Assistance in Chapter 32; the Vietnam Era GI Bill in Chapter 34; survivors and dependents' educational assistance in Chapter 35; and programs and administrative procedures as contained in Chapter 36. In addition, the subcommittee has jurisdiction over job counseling, training and placement services for veterans in Chapter 41; employment and training of disabled and Vietnam Era veterans in Chapter 42; and veterans employment rights in Chapter 43. Additionally, the subcommittee has oversight responsibility for education, training and employment programs which affect veterans but come under the legislative jurisdiction of other committees, such as veterans' preference in federal employment.

During the 100th Congress, 11 hearings were held by the Subcommittee on Education, Training and Employment. In addition to legislative hearings, the subcommittee reviewed the application, administration and effectiveness of the laws passed by the Congress which come under the legislative and oversight jurisdiction of the subcommittee. The subcommittee sought to determine if the laws and programs were being implemented in accordance with the intent of Congress.

First Session

MONTGOMERY GI BILL

A major priority of the subcommittee during the first session of the 100th Congress was a continuing effort to, first, make the Montgomery GI Bill a permanent program and, next, to determine if changes were necessary to further strengthen the program. By way of background, on October 19, 1984, Public Law 98–525, the Department of Defense Authorization Act, 1985, was signed into law. Title VII of this Act established a New GI Bill for the All-Volunteer Force.

Initially established as a three-year test program, the newest GI Bill consists of two components—a program of educational assistance for active duty servicemembers under Chapter 30, title 38, United States Code, and the program of education benefits for members of the Selected Reserve under Chapter 106, title 10, United States Code.

On February 16, 1987, the subcommittee met to review H.R. 1085, a bill which would make the newest GI Bill a permanent program. Authored by the chairman of the Full Committee and cosponsored by over 174 members of the House, there was broad, bipartisan support for this measure. As contained in Public Law 98–525, the three year test of the newest GI Bill would expire on June 30, 1988, thus terminating the program for new participants after that date. No veterans' educational assistance program would be available to new military recruits as of July 1, 1988.

Most witnesses testified that the New GI Bill was effectively accomplishing its stated purposes—that is, providing a significant readjustment benefit for servicemembers and providing a powerful recruitment and retention tool for the Armed Forces—and should be made permanent and its future clarified as quickly as possible.

Witnesses at this hearing included representatives of the Department of Defense, the service departments, the Veterans' Administration, military associations, educational institutions, veterans organizations, and the Speaker of the House, the Honorable Jim Wright. On February 26, 1987, the subcommittee met and unanimously recommended H.R. 1085 to the Full Committee. The Full Committee ordered H.R. 1085, amended, reported on March 4, 1987. The measure was amended by the Full Committee to include a provision which would rename Title VII of the Department of Defense Authorization Act, 1985 (P.L. 98-525) the "Montgomery GI Bill Act of 1984." Following this Committee action, the House passed H.R. 1085, amended, on March 17, 1987. The provisions of H.R. 1085, amended, are contained in Public Law 100-48, which was signed by the President on June 1, 1987.

The Montgomery GI Bill was again reviewed by the subcommittee when it met on August 6, 1987, to consider H.R. 3001, a bill which would provide a death benefit to certain survivors of a Montgomery GI Bill participant who dies while on active duty. The amount of the benefit would be equal to the amount by which the participant's basic pay was reduced under the provisions of the Montgomery GI Bill.

Although it was emphasized that the newest GI Bill is not a contributory education program, it was pointed out by witnesses and members of the subcommittee that the death of an active duty program participant presents a unique circumstance which deserves exceptional action on the part of the Government. In view of the immeasurable loss suffered by a family and loved ones when a servicemember dies, and because there is no possibility the individual for whom the education program was designed will use the benefit, many felt it would be a humane and compassionate gesture to provide the death benefit, as called for in H.R. 3001, to certain of the servicemember's survivors. Witnesses at this hearing included the Honorable Jim Slattery, the Honorable Dan Glickman, representatives of the Department of Defense, the service departments, the Veterans' Administration, military associations, veterans organizations and public witnesses. Provisions similar to those in H.R. 3001 are contained in Public Law 100-689, the Veterans' Benefits and Programs Improvement Act of 1988, which was signed by the President on November 18, 1988.

The final hearings to review the Montgomery GI Bill during the First Session were held by the subcommittee on October 14 and 15, 1987. The purpose of these hearings was to review the implementation and effectiveness of the Montgomery GI Bill with particular focus on three bills: H.R. 2950, H.R. 3180, and H.R. 3208. In addition, testimony was received on H.R. 3464. Those testifying were also invited to recommend and discuss additional changes which they thought would improve the effectiveness of the newest GI Bill.

Witnesses at these hearings included the Honorable Tim Johnson and representatives of the Department of Defense, the service de-

partments, the Veterans' Administration, military associations, and veterans organizations.

VETERANS JOB TRAINING ACT

Enacted in 1983, the Veterans Job Training Act (VJTA) was established in response to the severe employment difficulties experienced by Vietnam Era and Korean conflict veterans. The recession and fundamental structural changes in the American economy exacerbated employment problems and contributed to the highest unemployment rate ever recorded for these veterans. As the economy improved, many veterans were able to reestablish themselves in the work force, but significant numbers of veterans remained on the unemployment rolls.

Under VJTA, incentives, in the form of payments to defray the costs of training, are provided to employers to hire and train veterans of the Vietnam Era and Korean conflict. The U.S. Government reimburses an employer 50 percent of a participating veteran's starting wage, up to $10,000 per veteran. Payments may be made on behalf of a service-connected disabled veteran for up to 15 months, and up to 9 months for a nondisabled veteran.

The subcommittee met on March 18, 1987, to review H.R. 1504, a bill to extend and authorize additional funding for VJTA. Witnesses at this hearing included representatives of the Veterans' Administration, the Department of Labor, the Mississippi Employment Security Agency, veterans organizations, and public witnesses. On June 3, 1987, the subcommittee met and unanimously recommended H.R. 1504, amended, to the Full Committee. The Full Committee ordered H.R. 1504, amended, reported on June 10, 1987. Following this Committee action, the House passed the measure on June 30, 1987, under suspension of the rules. Provisions similar to those of H.R. 1504, amended, are contained in Public Law 100-323, the Veterans' Employment, Training, and Counseling Amendments of 1988.

On June 15, 1987, the subcommittee held field hearings regarding VJTA in Galesburg, Illinois, and Schererville, Indiana. The purpose of these hearings was to monitor the administration and implementation of VJTA at the grassroots level and to hear from those who work directly with the program. Witnesses included representatives of the Veterans' Administration, the Department of Labor, the Illinois Department of Employment Security, the Indiana State Employment Service, veterans organizations, and public witnesses.

EMPLOYMENT AND TRAINING PROGRAMS

IN THE DEPARTMENT OF LABOR

Since 1918, when Federal employment agencies first faced the task of finding work for returning veterans, the Federal Government's role in promoting employment and training opportunities for veterans has been reaffirmed, strengthened, and expanded.

The subcommittee conducted an oversight hearing on May 13, 1987, in order to review certain employment programs in the Department of Labor and to determine if these programs were serving the needs of veterans as intended by Congress. The subcommittee

was particularly concerned with the provisions of Chapter 41 of title 38, U.S.C., which mandate job counseling, training and placement services for veterans. The subcommittee was also interested in proposals being considered to "refocus" the Employment Service. Because the Employment Service is the delivery system for Department of Labor veterans' employment programs, the subcommittee sought to ensure that the quality of service to veterans would in no way be diminished as a result of Employment Service restructuring.

Those testifying before the subcommittee included representatives of the Department of Labor and veterans organizations.

Subsequently, the subcommittee met on September 17, 1987, to review draft legislation which would tighten and improve veterans' employment services provided under Chapter 41 of title 38. The subcommittee felt that the clear need for a revision of this chapter was established during the hearing held by the subcommittee in May. The subcommittee observed that, overall, veterans' employment programs had been effective and countless veterans had been placed in meaningful employment as a result of the combined Federal/State commitment established under Chapter 41. Nonetheless, job descriptions and responsibility under Chapter 41 were unclear, leading to misunderstandings, some abuse, and reduced services to veterans. Witnesses at this hearing included representatives of the Department of Labor, the Interstate Conference of Employment Security Agencies and veterans organizations.

On October 7, 1987, the subcommittee met and unanimously recommended a draft bill, subsequently identified as H.R. 3460, to the Full Committee. On October 14, 1987, the Full Committee ordered H.R. 3460 reported. This measure was passed by the House on October 27, 1987, under suspension of the rules. Provisions similar to those of H.R. 3460 are included in Public Law 100–323.

Second Session

THE MONTGOMERY GI BILL

By way of background, hearings were held by the subcommittee on October 14 and 15, 1987, to review the implementation and effectiveness of the Montgomery GI Bill. Testimony provided by witnesses at these hearings contributed to the development of a draft bill which was recommended by the subcommittee to the Full Committee during a mark-up session held March 16, 1988. This bill was subsequently identified as H.R. 4213. The Full Committee ordered the bill reported on March 23, 1988. On September 13, 1988, H.R. 4213 was passed by the House by voice vote. Provisions similar to those of H.R. 4213 are contained in Public Law 100–689, the Veterans' Benefits and Programs Improvement Act of 1988.

VOCATIONAL REHABILITATION AND COUNSELING SERVICES

On May 11, 1988, the subcommittee met to review an important program for service-connected disabled veterans, the vocational rehabilitation program, as contained in Chapter 31, title 38, U.S.C.. The purpose of this program is to enable disabled veterans to

become employable, to obtain and maintain suitable employment, and to achieve maximum independence in daily living.

The purpose of the hearing was to determine if budget restraints had had an adverse effect on the quality and timeliness of vocational rehabilitation services provided to service-connected disabled veterans. Witnesses included representatives of the Veterans' Administration, veterans organizations and public witnesses.

REEMPLOYMENT RIGHTS

The subcommittee met on July 13, 1988, to review the implementation and effectiveness of veterans' reemployment rights (Chapter 41, title 38, U.S.C.). Since 1940, protection has been extended to the citizen soldier who leaves employment to serve in our nation's armed services by preserving the former servicemember's right to return to his or her pre-service employment.

Since the establishment of the All-Volunteer Force and the development of the Total Force policy, there has been increasing emphasis on the Selected Reserve as a cost-effective means of providing a significant portion of our nation's defense. As a consequence, training time for the Reserve components has extended. In order to ensure that all components of the Reserves stay fully manned, the Congress enacted Public Law 99-576, which prohibits discrimination in initial hiring because of an individual's status as a member of the Selected Reserve. The subcommittee sought to determine if this law had been efficiently implemented and if it was effective. Additionally, the subcommittee wanted to know if other reemployment rights provisions were clear, effective, or needed legislative fine-tuning. Witnesses at this hearing included representatives of the Department of Defense, the Department of Labor, the Office of Personnel Management, and military associations.

SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS

The Subcommittee on Oversight and Investigations oversees the provision and administration of benefits and services to veterans, their dependents and survivors by the Veterans' Administration and other agencies with responsibilities to veterans. In discharging its responsibilities, the subcommittee conducts hearings, site visits, surveys, and investigations at various locations.

During the first session of the 100th Congress, the subcommittee conducted four formal hearings in Washington, D.C. In addition, the subcommittee made site visits to four Veterans' Administration medical centers, four Veterans Readjustment Counseling (Vet) Centers, one VA Regional Office and two National Cemeteries.

Six formal hearings were conducted by the subcommittee during the second session of the 100th Congress. In addition to hearings which were conducted in East Moline, Illinois, and Rapid City, South Dakota, four hearings were conducted in Washington, D.C. Subcommittee site visits were made to four Veterans' Administration medical centers, the Veterans' Administration Police Training School and the Federal Law Enforcement Training Center.

First Session

STATUS AND CONCERNS OF WOMEN VETERANS

On Thursday, April 2, 1987, the Subcommittee on Oversight and Investigations conducted a hearing on the current status and concerns of women veterans. The purpose of this hearing was to examine a number of related issues concerning women veterans. Principal among these were:

> Are women veterans aware of the benefits and services to which they are entitled by virtue of their military service to the Nation?
>
> Do women veterans have unhindered access to the benefits and services to which they are entitled as a result of their veteran status?
>
> Are women veterans utilizing the benefits and services which are intended for all veterans?
>
> Are the programs and services most needed by women veterans being provided by the Federal Government?
>
> Are the post military service concerns and gender specific needs of women veterans being responded to effectively by the Veterans' Administration and other federal agencies with veteran program responsibilities?
>
> Is the information needed to answer these questions available?

Comprising an estimated 4.2% of the Nation's current total veteran population, women today account for more than 10% of the Nation's active duty forces and have accounted for more than 12% of active duty enlistments in recent years. While the Nation's total veteran population continues to experience a steady decline, the number of women veterans is increasing and women constitute the fastest growing segment of the veteran population.

In the past, information and statistical data pertinent to women veterans have not been readily available. More than 1.1 million

women have served in the Armed Services of the nation, but women veterans historically have not received the same recognition for military service as their male veteran counterparts. The lack of information concerning women veterans is generally attributable to the fact that no major government survey conducted prior to 1980 asked a question about the veteran status of women. This question in the 1980 decennial census marked the initial significant effort by the government to gather information on women veterans, signaled an important change in the status and official recognition given to women veterans and provided previously unavailable information on women veterans.

Today we know:

* The number of women veterans is gradually increasing. In comparison, the male veteran population is steadily declining.
* The largest subgroup of women veterans (34%) served during World War II. There are 375,000 women veterans in this group.
* The second largest subgroup of women veterans (23.8%) served during the Vietnam era. There are 262,000 women veterans in this group.
* The third largest subgroup of women veterans (19.6%) is comprised of women who began service in the Armed Forces after the Vietnam era.
* The number of women veterans who are 65 years of age and older is expected to more than double by the year 2000 from 196,000 in 1980 vs. a projected 396,000 in the year 2000.
* The median age of women veterans is 52. The median age of male veterans is 52.2.
* A substantial portion (39.3%) of all women veterans have served only during peacetime.
* Of the 432,000 women veterans who have served during peacetime, one-half have served exclusively in the post-Vietnam era.
* Black women veterans (123,000) represent 11.1% of the total women veteran population.
* The percentage of women veterans under 35 years of age (27.7%) and the percentage of women veterans 65 years of age and older (22.1%) are both larger than the proportions of similarly aged male veterans (13.3% and 16.2%, respectively).

The subcommittee believes programs which collect and evaluate data on women veterans are essential. Continuation and refinement of these programs will permit the enhancement of the recently established women veteran data base.

In 1982, the U.S. General Accounting Office issued an audit entitled "Actions Needed to Insure That Female Veterans Have Equal Access to VA Benefits." According to this report, action was needed to insure that:

* Men and women have equal access to VA treatment programs and medical facilities;
* Women treated in VA facilities receive complete physical examinations;
* Needed gynecological care is provided;

* Sufficient plans are made for the anticipated increase in the number of female veterans; and
* Female veterans are adequately informed of their benefits.

In November, 1983, legislation (P.L. 98-160) was approved directing the VA Administrator to establish an Advisory Committee on Women Veterans. This committee has issued two formal reports (July 1984 and July 1986) as required and is expected to issue a third report in 1988. Together the two reports which have been issued contain more than 80 recommendations on a variety of issues. More than one-half of the recommendations (50) address four general issues: (1) outreach, (2) Veterans' Canteen Service, (3) health care facilities and staffing, and (4) health problems, diseases and medical research.

Coinciding with the increasing interest in the status and concerns of women veterans, the Veterans' Administration in 1984, commissioned Louis Harris and Associates to conduct a survey on the status, needs and experience of women veterans. Included among the findings of this survey were:

* Women veterans have a lower rate of usage of VA medical facilities compared to male veterans of the same age, particularly in the older age groups.
* Overall, women veterans have made less use of veterans benefits than male veterans.
* The low rate of use of VA programs by women veterans seems to reflect a problem of benefit awareness rather than preference.
* For 11 of 18 benefit programs examined, less than one-half of women veterans had heard of them.
* The VA benefit program most used by women veterans is the G.I. Bill (39%).
* The VA guaranteed home loan program has been used by 23% of women veterans; and 18% of women veterans have used the life insurance program.
* 10% of women veterans have been a patient overnight or longer in a VA hospital.
* Women veterans have approximately the same prevalence of most chronic diseases as other women in the same age group.
* The lifetime prevalence of cancer among women veterans (9%) is nearly twice as high as among the general population of women (5%).
* Few women (1%) have completed a 20 year career in the Armed Forces with military retirement.
* Most women veterans (68%) have served in the military during a war period, but comparatively few (28%) women veterans have served outside of the U.S.
* Slightly more than 5% of women veterans are believed to have been exposed to combat. Almost 75% of the women veterans who have been exposed to combat served during World War II.

According to testimony presented to the subcommittee, many women veterans have considered themselves less eligible than their male veteran counterparts for veterans benefits and services. This

is because women veterans have received less recognition for their military service. Compounding this circumstance, many women veterans have not obtained or been provided information on eligibility for veterans benefits and services. As a result, many women veterans have been reluctant to and have not utilized all or any of the benefits and services intended for all veterans.

The subcommittee believes women veterans must be accorded appropriate and full recognition of their individual and collective military service to the Nation. Outreach efforts are essential to increasing awareness among women veterans of their equality of eligibility for benefits and services intended to assist all veterans following their active military service.

During the hearing, progress was reported in the responsiveness of the Veterans' Administration to the gender-specific medical needs of women veterans. Similarly, progress has also been reported in privacy concerns of both men and women veteran patients. Individuals have been appointed at VA medical centers to coordinate benefits and services for women veteran patients and this initiative has received a very positive response. Further improvement in the availability of appropriate clothing and personal care items for women patients in VA medical centers has been recommended.

Programs providing employment and employment assistance are of particular importance to women veterans. The continuation and improvement, as appropriate, of programs designed to assist women veterans compete for and secure post-military service employment are of vital importance to women.

According to information available to the subcommittee:

* Approximately 19% of women veterans are college graduates and another 19% have either 2 year college degrees or 3 year nursing school degrees. More than three-quarters of women veterans have graduated from high school.

* Slightly more than one-half of the 1.1 million women veterans are in the labor force. Women veterans represented only 2.6% of all veterans in the labor force on April 1, 1980.

* The median income of women veterans who reported income activity in 1979 was $7,200, compared to $17,000 for their male veteran counterparts.

* Of the 930,000 women veterans who reported economic activity in 1979, 64.3% earned less than $10,000.

In general, witnesses reported the federal government is recognizing and responding to the needs and concerns of women veterans. Women veterans are receiving increased recognition for their military service and as a result of increased outreach and awareness, women veterans should be expected to more fully utilize the benefits and services which are intended to assist all veterans.

Witnesses appearing before the subcommittee represented the Veterans' Administration Advisory Committee on Women Veterans, the Veterans' Administration, the Department of Labor, the Small Business Administration, the Office of Personnel Management, national service organizations, and other interested parties.

COLLOCATION OF VETERANS' ADMINISTRATION REGIONAL OFFICES ONTO THE GROUNDS OF VA MEDICAL CENTERS

The Subcommittee on Oversight and Investigations met on May 14, 1987, to review the collocation of Veterans' Administration regional offices onto the grounds of VA medical centers. This hearing was conducted to examine the progress made by the VA in collocating regional offices onto medical center grounds, to consider the Administrator's report and proposed collocation schedule required by Public Law 99–576, to review current opportunities for collocation, assess agency activities and plans for collocation, identify obstacles to collocation and consider related issues. Previous hearings on collocation were conducted by the subcommittee on May 22, 1985, and April 23, 1986.

The Veterans' Administration maintains a total of 58 regional offices including at least one regional office in each State, the District of Columbia and Puerto Rico, as mandated by the Congress. Through these regional offices, the Department of Veterans Benefits administers compensation and pension programs for veterans, their dependents and survivors.

A VA regional office is typically located in a federal office building or commercial office space. In both federal and commercial office buildings, the Veterans' Administration pays rent for space which is used as a regional office. For office space occupied in federal office buildings, the VA is required to pay fair market rent to the General Services Administration.

The total annual cost of renting space for VA regional offices is considerable. The General Services Administration estimates the VA spent more than $42.7 million in Fiscal Year 1987 to rent office space for 50 VA regional offices, 34 of which were located in federal office buildings. This already significant annual VA cost for regional office rent is expected to increase substantially in future years as current long-term lower-cost leases expire and significantly higher lease rates become effective.

In 1983, the Department of Veterans Benefits (DVB) requested the Department of Medicine and Surgery (DMS) to survey all medical centers to determine if suitable land was available for the construction of a regional office or if buildings satisfactory for housing DVB activities were available. As a result of this survey, a total of twenty-eight (28) locations were identified where collocation was possible. Of these sites, 25 were to receive further consideration for major construction projects needed to accommodate a regional office. The other three (3) locations did not receive consideration for major construction because the estimated cost of construction or renovation required to house a collocated regional office was estimated to be less than $2 million in two instances and collocation was deemed to be infeasible and impractical in one instance.

In December, 1983, the Committee was notified 25 regional offices had been identified for potential collocation. A timetable was to be developed for the inclusion of these collocation projects in the Department of Veterans Benefits major construction budgets for Fiscal Years 1986–1990.

In the budget presented for Fiscal Year 1986, the Administration proposed a consolidation of all Department of Veterans Benefits ad-

judication, loan processing, finance, administrative and personnel functions into three (3) regional processing centers. Because of this ill-fated consolidation initiative, agency activities in support of collocation virtually ceased according to VA. If there were to be no regional offices as a result of consolidation, there would be no regional offices to collocate with medical centers.

Of the twenty-eight (28) possible collocations identified by the VA since 1983:

(1) Milwaukee was collocated in 1983.

(2) Little Rock collocation was in progress and scheduled to be completed in Fiscal Year 1987 or Fiscal Year 1988.

(3) Wichita collocation had been proposed in the budget submitted for Fiscal Year 1988.

Because of the benefits expected to accompany collocation, Congress enacted Section 502 of Public Law 99-576. This legislation encouraged the collocation of regional offices onto the grounds of medical centers by requiring the Administrator of Veterans' Affairs to submit by March 1, 1987, a plan including a schedule for collocating at least seven regional offices onto the grounds of medical centers.

On April 3, 1987, the VA submitted the collocation report required by P.L. 99-576. This report contained only five collocation projects. Of these five, one project (Little Rock) was already in progress and a second (Wichita) had already been proposed in the budget submitted for Fiscal Year 1988. This report also tentatively proposed one additional collocation in each of the Fiscal Years 1989, 1990 and 1991.

A proposal to collocate a VA regional office onto the grounds of a medical center is subject to review and analysis by both the Veterans' Administration and the General Services Administration. As required by the Office of Management and Budget, the VA conducts a comparative economic analysis which is known as an A-104 analysis. This economic analysis provides a comparison of costs associated with various options. These options include the leasing of commercial office space for use as a VA regional office, construction of a new regional office, or renovation of an existing building for use as a regional office.

As landlord for the Federal Government, the General Services Administration evaluates the potential impact of VA regional office collocation on the inventory of office space which is controlled and managed by GSA. The objective of this analysis is to determine whether space occupied by VA and proposed to be vacated can be used by other Federal agencies. GSA can express no objection or reservation to a proposed collocation.

GSA space management considerations, unrelated to the goal of providing better service to veterans, have repeatedly, if not indefinitely, delayed regional office collocation. In July, 1986, and February, 1987, for example, GSA was asked to evaluate 11 VA collocation projects. GSA expressed "major reservations" to 5 (45%) of these projects. According to GSA, these reservations were primarily due to GSA being unlikely or unable to secure another occupant for the office space being proposed to be vacated by a VA regional office.

By collocating Veterans' Administration regional offices onto medical center grounds, significant benefits are expected to be realized, led by improvement in services provided to veterans. For example, medical examinations are essential to the adjudication of benefit claims. Examination facilities become much more accessible to a regional office when the regional office and medical center are located on the same property. As a direct result of collocation, veterans may also realize improvements in access, convenience, proximity, parking, and transportation alternatives.

In addition to these advantages for veterans, reduced government spending and significant long-term savings are also expected from collocation. Buildings designed and constructed specifically for use as a regional office can provide important increases in operational efficiencies not possible when other facilities are used to house regional office activities. Costly and rapidly escalating rents would also be eliminated by using agency-owned and -controlled buildings constructed on agency-owned property.

The magnitude of the savings possible with collocation are indicated by the following:

* In 1985, the VA testified the agency's annual cost for rent was approaching $50 million, a 52% increase since 1980. This massive increase in regional office rental cost occurred even though the agency had been actively participating in a space reduction program and the amount of office space being used had been reduced.

* The VA has recently been required to pay annual rent increases of 10% or more for many VA regional offices and a one year rent increase of more than 30% has been reported.

* The VA will pay more than $3.5 million annually to rent office space for the Los Angeles regional office. A new regional office, collocated on the grounds of the VA medical center, could be constructed for an estimated $25.7 million.

The siting of Veterans' Administration regional offices on the grounds of medical centers can offer additional opportunities to reduce spending which otherwise would not be available. The joint use, when feasible, of essential services such as janitorial and security services by a collocated regional office and medical center can provide economies not available to either facility separately while the quality of services provided to veterans can also be improved. These savings can be achieved if the collocated regional office and medical center are administered independently by separate directors or if the medical center and regional office are administered by a single director.

The working conditions in regional offices located in federal and commercial office buildings were also reviewed during the hearing. Untreated insect infestations and inadequate building maintenance were cited as working conditions adversely affecting VA regional office employee productivity and morale.

Witnesses testifying before the subcommittee included representatives of the General Services Administration, the Veterans' Administration, veteran service organizations and a panel of Department of Veterans Benefits regional office directors who presented their personal views.

CONTRACT MEDICAL SERVICES

On Wednesday, July 29, 1987, the subcommittee conducted a hearing on the use of contract medical services by Veterans' Administration medical centers. This hearing was conducted to review the use of current authority by VA medical centers to contract for the purchase of scarce medical resources, to investigate reports of laxity in the use of this authority and to explore VA administrative reforms to prevent waste, fraud and abuse in the use of the authority to contract for the purchase of medical services. Of particular interest to the subcommittee were contracts for the purchase of scarce medical resources between VA medical centers and affiliated colleges of medicine or related institutions.

Under current law, VA medical centers are authorized to contract with physicians, clinics, technicians and other health care providers who are not VA employees for the purpose of purchasing medical services needed to deliver quality clinical care to patients in VA medical centers. As noted by witnesses testifying before the subcommittee, VA medical centers may experience difficulty in the recruitment and retention of certain highly specialized physicians and other health care providers because of salary limitations and other considerations. If a medical center is unable to recruit and retain needed specialized health care providers, a scarce medical resource, such as anesthesiology or radiology, might not be available to medical center patients without the use of this authority and the purchase of a needed service from providers who are not VA employees. In utilizing this authority, VA medical centers frequently contract with an affiliated medical college or a related agency to purchase a needed scarce medical resource.

During the hearing, the subcommittee reviewed Veterans' Administration Office of Inspector General cyclical audit findings and recommendations on contract medical services purchased by VA medical centers from affiliated medical colleges. The subcommittee also considered the findings and recommendations on contracts between VA medical centers and affiliated medical schools for the purchase of anesthesiology and radiology services contained in a summary audit issued by the VA Office of Inspector General. The following summarize findings contained in pertinent audits conducted by the VA Office of Inspector General:

(1) Contractors were paid for services which were not provided;

(2) Payments made to contractors were not supported by adequate documentation;

(3) The VA contracted for more services than were needed based on workload data;

(4) A contractor had been paid for services provided by a full-time VA employee;

(5) Internal controls to insure proper contract negotiation and administration were not established;

(6) Contracts were negotiated and administered by persons who had a personal financial interest in the contract; and

(7) Overstated cost and pricing data were used by contractors in negotiations to justify excessive contract costs.

Witnesses representing the Veterans' Administration Department of Medicine and Surgery testified actions responsive to the concerns of the subcommittee and consistent with appropriate use of the authority to contract for the purchase of scarce medical resources were being developed by the Department. The subcommittee will examine and review these actions in the future.

Representatives of the Veterans' Administration Office of the Inspector General, the Department of Medicine and Surgery, a panel comprised of representatives of VA medical centers and the executive director of the National Association of VA Physicians appeared before the subcommittee as witnesses.

ACTIVITIES OF THE VETERANS' ADMINISTRATION

OFFICE OF INSPECTOR GENERAL

On October 8, 1987, the Subcommittee on Oversight and Investigations conducted a hearing for the purpose of reviewing the Veterans' Administration Office of Inspector General (OIG). The objectives, activities, operations, and organization of the Office of Inspector General were among the subjects examined by the subcommittee during this hearing.

The OIG was created as an objective and independent unit within the Veterans' Administration by Public Law 95-452, the Inspector General Act of 1978. The goals and responsibilities of the OIG include conducting and supervising investigations and audits; detecting and preventing waste, fraud and abuse; promoting integrity, efficiency, economy and effectiveness in the administration and operation of benefit programs and services; and informing Congress and the Administrator of deficiencies and problems which are identified. In addition, the OIG reviews proposed and existing legislation and regulations; processes requests made under the Freedom of Information and Privacy Acts and oversees Veterans' Administration security procedures.

As presently organized, policy responsibility for the OIG is centralized. Under the Inspector General and Deputy Inspector General, there are three Assistant Inspectors General who have responsibility for Investigations, Auditing, and Policy, Planning and Resources, respectively, and the maintenance of policy direction. The Assistant Inspectors General for Investigations and Auditing each maintain eight regional offices which are collocated. Operational headquarters divisions and field offices are responsible for policy implementation.

In discharging its responsibilities, the OIG has authority to inquire into all Veterans' Administration programs and activities. For Fiscal Year 1988, the OIG had an annual budget of $20.4 million and an authorized staff of more than 380 employees.

During Fiscal Years 1981 through 1986, the OIG issued more than 2,200 audit reports and initiated almost 6,000 investigative cases. As a result of these activities, the OIG reported potential monetary benefits of about $3.4 billion and more than 1,800 prosecutive actions and administrative sanctions.

Principal issues examined during the hearing were economic efficiencies achieved as a result of OIG audit activities; VA implementation of Inspector General audit recommendations; assistance pro-

vided by the OIG to individual veterans seeking VA-administered veterans benefits and services; and OIG projections of future medical care demand and the need for medical care facility construction. OIG objectives, accomplishments, staffing, staff training, work plans, and evaluation of OIG activities and related matters were also examined.

The subcommittee examined the potential monetary benefits of $3.4 billion reported by the OIG. Of this amount, $3 billion was classified as potential cost efficiencies. Cost efficiencies occur when the VA takes appropriate action in response to OIG audit findings and recommendations and the better use of funds or the avoidance of cost result. Reported cost efficiencies are not realized if the agency does not take appropriate action in response to audit findings and recommendations.

Of the approximately $3 billion in cost efficiencies reported, the OIG was not able to provide the subcommittee with the dollar value of cost efficiencies actually realized. The subcommittee found the OIG does not adequately determine if actions expected to be taken by the VA in response to audit findings are actually taken. Cost efficiencies reported by the OIG may not have been achieved and the economic value of cost efficiencies which have been realized is unknown because agency action taken in response to OIG audit activities is inadequately reviewed.

Because the VA may not take action as expected by the OIG in response to audit findings and recommendations, the total amount of cost efficiencies reported by the OIG may also be inflated. If appropriate action was not taken by the VA in response to earlier audit findings and recommendations, subsequent audits would be expected to again identify potential cost efficiencies which had already been reported in previous audits. These cost efficiencies when next reported would merely duplicate cost efficiencies previously reported and inflate the cumulative value of potential cost efficiencies reported.

The subcommittee cautioned against unwarranted reductions in benefits and services provided by the Department of Veterans Benefits and the Department of Medicine and Surgery as a result of OIG emphasis on cost avoidance and operational efficiencies. In an era of fiscal restraint and limited resources, operational efficiency is essential, but economical performance must never result in less than fully satisfactory performance of the basic agency mission. Efforts to increase economy and prevent waste, fraud and abuse must never compromise or undermine the availability and delivery of benefits and services, including medical care, to veterans in the beneficial manner intended by Congress.

Assistance provided by the OIG to individual veterans seeking VA-administered benefits and services was also reviewed by the subcommittee. Action to increase veteran awareness of the assistance available from the OIG to individual veterans was recommended and the further extension of assistance to individual veterans was strongly supported.

The medical construction program of the Veterans' Administration is among the programs audited by the OIG. The VA's medical construction program is currently comprised of approximately 3,000 projects with an estimated worth of more than $8 billion.

During Fiscal Year 1987, the VA obligated a record $760.1 million for construction projects. Audits of this program have previously concentrated on the need for proposed construction projects based on current and projected medical care demand and workloads. Because of changes in demand for medical care, the subcommittee believes the OIG should adopt a different focus for medical construction program audit activities. During this hearing, the OIG announced the focus of such audits was shifting to overall management of the medical construction program and particularly construction contract administration.

Appearing before the subcommittee as witnesses were representatives of the OIG and veteran service organizations.

At a subsequent hearing, the independence and objectivity of the OIG became an issue before the Subcommittee on Oversight and Investigations. On March 17, 1988, the subcommittee conducted a hearing to examine the administration of the Civilian Health and Medical Program of the Veterans' Administration, CHAMPVA. The OIG was requested to appear before the subcommittee as a witness and to present testimony at this hearing.

Prior to the hearing, the subcommittee learned the OIG would forego submitting independent testimony to the subcommittee. The Office of Inspector General would instead be represented by testimony to be presented to the subcommittee by the Department of Medicine and Surgery. During the hearing, the subcommittee also discovered the OIG regularly submits testimony to be presented before Committees of the Congress to the VA general counsel and other staff offices for review prior to presentation of that testimony to the Congress. In response to further questioning during the hearing, the OIG also admitted testimony which is to be presented to Committees of Congress by the OIG is coordinated with principal departments of the Veterans' Administration.

The possible compromise of the independence and objectivity of the OIG is of very serious concern to the subcommittee. Actions which may suggest compromise of the independence and objectivity of the OIG could raise a series of questions about the validity of previous statements and reports submitted by the Inspector General to the Congress. This issue will be further examined by the subcommittee.

SECOND SESSION

ADMINISTRATION OF CIVILIAN HEALTH AND MEDICAL PROGRAM OF THE VETERANS' ADMINISTRATION (CHAMPVA)

On March 17, 1988, the subcommittee held a hearing on the effectiveness of the administration of the program of medical care for survivors and dependents of certain veterans, the Civilian Health and Medical Program of the Veterans' Administration or CHAMPVA. This program is administered within the Veterans' Administration by the Department of Medicine and Surgery and was authorized by Public Law 93-82 in 1973 (38 U.S.C. 613). Its purpose is to provide health care to dependents of veterans who are:

1. Permanently and totally service-connected disabled;

2. Deceased and were rated permanently and totally service-connected disabled at time of death;

3. Deceased and died as a result of a service-connected disability; or

4. Deceased and died in active service in the line of duty and not due to misconduct.

The CHAMPVA authorizing legislation requires the VA to provide eligible beneficiaries with medical care in a manner which is the same or similar to the health care provided to dependents of personnel serving on active duty in the Armed Forces of the United States and retirees of the Armed Forces. Customarily, CHAMPVA operates as a health care insurance program and provides payment for 75% of the cost of inpatient and outpatient health care provided to eligible program beneficiaries. CHAMPVA beneficiaries ordinarily obtain needed health care from private health care providers and pay 25% of the cost of care.

The proper administration of CHAMPVA is the responsibility of the Veterans' Administration Department of Medicine and Surgery. The Department of Medicine and Surgery has sole administrative responsibility for:

1. Determining the eligibility of CHAMPVA program applicants;

2. Issuing CHAMPVA identification cards; and

3. Reimbursing the Department of Defense and the financial intermediaries for CHAMPVA claims payment costs and the administrative costs of processing and paying CHAMPVA claims.

Under an agreement between the VA and DOD, the Office of CHAMPUS (OCHAMPUS) processes and pays CHAMPVA claims submitted by program beneficiaries or health care providers. These claims are processed and paid by financial intermediaries on behalf of OCHAMPUS. The Veterans' Administration provides reimbursement for claims payment costs and program administration costs. Claims processing and administrative costs represent an estimated 5.2% of the total cost of CHAMPVA.

At the end of fiscal year 1986, 208,000 individuals, both adults and children, were rated as eligible for CHAMPVA benefits by the VA. From the inception of the program through Fiscal Year 1988, an estimated $780,956,000 will have been expended to provide CHAMPVA benefits. For Fiscal Year 1988, $106,070,000 was requested in the budget for this program.

Information presented to the subcommittee indicated the administration of CHAMPVA has been marked by serious and continuing deficiencies. According to audits conducted by the OIG, 15% of CHAMPVA program beneficiaries in Fiscal Year 1982 were not eligible for program benefits. By Fiscal Year 1986, the percentage of ineligible program beneficiaries had increased to 28.3%. During the four fiscal year period from 1983 to 1986, an estimated $40.7 million was spent by the VA to pay CHAMPVA medical care claims of ineligible beneficiaries and an additional $2.2 million was spent for associated CHAMPVA administrative costs.

In addition to examining the current administration of CHAMPVA, the subcommittee also reviewed the Veterans' Admin-

istration Fiscal Year 1989 budget request for CHAMPVA. For Fiscal Year 1989, the VA proposed to assume direct responsibility for the processing and payment of CHAMPVA claims. An additional 133 full time equivalent employees (FTEE) for the Centralized CHAMPVA Registry Center (CCRC) located in Denver, Colorado, were requested to perform these claims processing and payment activities.

Witnesses representing the Office of the Inspector General and the Department of Medicine and Surgery of the Veterans' Administration and representatives of national veterans service organizations provided the subcommittee with testimony.

On September 22, 1988, the House, by a vote of 406 to 0, approved H.R. 5114, the Veterans' Health-Care Programs Amendments of 1988. Several provisions to improve the administration of CHAMPVA were contained in this legislation. In part, these provisions required the Administrator to compile and maintain an accurate and complete list of individuals eligible to receive CHAMPVA benefits and directed the Administrator to establish a procedure to review the need, cost-effectiveness and appropriateness of health care services provided to CHAMPVA beneficiaries by the Veterans' Administration.

ESTABLISHMENT OF AN OUTPATIENT CLINIC TO SERVE VETERANS OF THE QUAD CITIES, ILLINOIS-IOWA AREA

On Friday, April 22, 1988, the Subcommittee on Oversight and Investigations met in East Moline, Illinois, to conduct a field hearing on the establishment of a Satellite Outpatient Clinic to serve veterans residing in the Quad Cities area of Illinois and Iowa. This hearing was conducted to consider the criteria and standards used by the VA to establish a Satellite Outpatient Clinic, the outpatient clinic planning and development process, the services provided by a VA outpatient clinic, the benefits of establishing a VA Satellite Outpatient Clinic in the Quad Cities, Illinois-Iowa and related issues.

During Fiscal Year 1986, nearly 18.5 million visits were made to Veterans' Administration outpatient clinics which provided prehospital and post-hospital care as well as care for illnesses which did not require hospitalization. In total, more than 70 medical specialty treatment areas, including surgery, radiation therapy, allergy immunology, optometry and alcohol and drug dependence, are provided on an outpatient basis by the VA. More than 230 outpatient clinics have been established with the majority (172) located in VA medical centers. Satellite or freestanding clinics constitute the remainder of these facilities.

On March 3, 1987, the Honorable Lane Evans, Chairman of the Subcommittee on Oversight and Investigations, sent a letter to Dr. John Gronvall, VA Chief Medical Director, concerning the establishment of a Veterans' Administration Satellite Outpatient Clinic to serve veterans living in the Quad Cities area of Illinois and Iowa. In part, that letter stated, "For a number of reasons, I believe a clinic should be established in Rock Island County to provide the outpatient services which are needed by so many area veterans."

The budget proposed by the Administration for Fiscal Year 1989 requested initial funding for the development of two new outpatient clinics, including the Quad Cities, IL/IA Outpatient Clinic. Specifically, the administration requested $330,000 to be spent in Fiscal Year 1989 in support of establishing the Quad Cities area outpatient clinic.

A Veterans' Administation Satellite Outpatient Clinic, or SOC, is a full-time, freestanding ambulatory care facility that is physically separate, but administratively attached to a VA medical center. A Satellite Outpatient Clinic established to serve veterans residing in the Quad Cities area of Illinois and Iowa would be a separate facility administratively attached to the Iowa City, Iowa Veterans' Administration Medical Center.

The general objectives of a Veterans' Administration Satellite Outpatient Clinic are:

(1) The provision of high quality, compassionate outpatient health care in conformance with principles of professional practice;

(2) Improvement in the availability and convenience of access to outpatient health care services;

(3) The provision of or arrangement for emergency services as needed;

(4) The delivery of health care in a timely and efficient fashion;

(5) The effective use of human, material and financial resources to provide health care; and

(6) The maintenance of collaborative professional relationships between clinic and parent facility staff.

The Veterans' Administration Department of Medicine and Surgery has established guidelines and criteria for the establishment of satellite outpatient clinics. These include:

(1) Total veteran and non-veteran population requirement for site location in a Metropolitan Statistical Area (MSA) of 100,000 or more;

(2) Primary Service Area should be formed around an MSA;

(3) Projected outpatient visits should be 20,000 or more per year;

(4) Distance from the nearest existing VA facility should be 75 miles or more; and

(5) There should be a backup hospital in the area for emergency care.

Individual veterans and witnesses representing the Illinois 17th Congressional District Veterans Advisory Committee and veteran service organizations cited many factors in expressing strong support for establishing a Satellite Outpatient Clinic in the Quad Cities to serve area veterans. Among the reasons cited were:

* The time and distance which Quad Cities area veterans were required to travel to obtain care from the VA medical center in Iowa City, Iowa.

* The costly and difficult choice some veterans were forced to make between receiving needed health care at the Iowa City VA Medical Center and the loss of pay resulting from missed work in order to travel to Iowa City from the Quad Cities area.

* The inclement and hazardous weather frequently encountered during travel between the Quad Cities and the Iowa City VA Medical Center.
* The infrequency of regularly scheduled public transportation between the Quad Cities and Iowa City.
* The delays frequently experienced in receiving outpatient treatment at the Iowa City medical center.

According to witnesses representing the VA, to determine if constructing, leasing, or purchasing is the most economical alternative for acquiring space for the Quad Cities outpatient clinic, the VA will conduct an economic cost analysis. This analysis was expected to be completed in July, 1988, with results available in September, 1988.

Following completion of the economic analysis, a preferred geographic area for the location of the clinic will be identified, offers for a facility will be solicited, negotiations retain will be conducted and a site for the clinic will be finalized. Upon completion of any required construction or renovation of the clinic facility, the clinic will be staffed and activated. Activation of the Quad Cities OPC in the fall, 1990 is projected.

SECURITY SERVICE OF THE VETERANS' ADMINISTRATION

On May 19, 1988, the subcommittee held a hearing on the Veterans' Administration Security Service. The purpose of this hearing was to review the policies, practices, procedures, objectives and effectiveness of Veterans' Administration Security Service. The qualifications, selection, training, supervision, organization, responsibilities, evaluation and compensation of VA police officers were specific issues examined during this hearing.

The prevention of crime at VA facilities is the basic objective of the VA's Security Service. The law enforcement responsibilities of VA police include: crime investigation; apprehension, handling and, as needed, transfer of offenders to appropriate law enforcement agencies; reporting of crime and assisting other crime investigators; and providing security measures to deter and prevent recurrence of crime. These activities are intended to protect patients, visitors and staff, safeguard government property and maintain law and order.

Organizationally, the Security Service is located within the Department of Medicine and Surgery. The Director of the Security Service is a staff officer and, therefore, does not have line authority over the Security Service which he is expected to direct. The Security Service has approximately 1,900 police officers stationed at 172 VA medical centers and 2 outpatient clinics. The day-to-day administrative responsibility for Security Service activities at these facilities is vested in the medical center director who customarily delegates this responsibility to an assistant or associate medical center director.

The findings contained in audits of the Security Service conducted recently at three VA medical centers by the Office of the Inspector General were reviewed. Principal findings contained in these audits, the initial portion of a nationwide audit of the Security Service, included:

(1) Inadequate preemployment screening of police officer applicants;
(2) Inadequate investigation and reporting of crimes;
(3) Inadequate inservice police training; and
(4) Notices of violations improperly processed and controlled.

Primary issues which emerged during this hearing included basic qualifications for VA police officers, the timely and adequate conduct of background checks of VA police officer applicants prior to VA employment, and pay of Security Service police officers. VA police officer turnover rate, the adequacy of initial and inservice VA police officer training, the carrying of firearms by VA police officers, and VA police officer eligibility for early retirement were also examined.

Witnesses representing the Office of the Special Counsel, Merit Systems Protection Board, the Inspector General and the Department of Medicine and Surgery of the Veterans' Administration, the Office of Personnel Management, the National Federation of Federal Employees, the National Association of Government Employees, veteran service organizations and the Government Accountability Project testified before the subcommittee.

VETERANS' BENEFITS AND SERVICES IN SOUTH DAKOTA

On Monday, June 13, 1988, the Oversight and Investigations Subcommittee conducted, at the request of the Honorable Tim Johnson, a field hearing in Rapid City, South Dakota. This field hearing was conducted for the purpose of reviewing the provision of veterans' benefits and services in South Dakota.

South Dakota veterans have made extensive use of the variety of readjustment benefits available to them. A total of 1,030 VA home loan guarantees, with a value of $60,330,111, were provided in South Dakota during 1987. Under the Veterans' Job Training Act, 2,314 applications from veterans for participation in this program had been approved by the Veterans' Administration and 239 employers providing 520 job training opportunities had also been approved. As of May, 1988, 174 veterans had received job training and $647,486 had been received by program employers. In terms of educational benefits, a total of 942 individuals had received training under the provisions of Chapter 106 of Title 10, U.S.C., with 619 persons in training at the time. Thirteen individuals were receiving benefits under the provisions of Chapter 30 of Title 38, U.S.C., the Montgomery GI Bill.

According to Veterans' Administration statistics, more than 79,000 veterans reside in South Dakota, including 42,000 veterans who are 65 years of age or older. The health care needs of South Dakota veterans are primarily served by three Veterans' Administration medical centers which witnesses noted are located in the eastern most and western most portions of the State. In addition to serving the health care needs of veterans residing in South Dakota, witnesses testified these medical centers, located in Sioux Falls, Hot Springs and at Fort Meade, also provide health care to veterans who live in other States in the region, including Montana, Wyoming and Nebraska.

In Sioux Falls, a nursing home care unit provides specialized care to veterans and a domiciliary is located in Hot Springs on the grounds of the medical center. Veterans' Readjustment Counseling Centers are located in Rapid City and Sioux Falls and the Veterans' Administration Regional Office, which serves veterans throughout South Dakota, is located on the campus of the medical center in Sioux Falls. The Black Hills National Cemetery is located near Sturgis, South Dakota.

The vast geographic area comprised by South Dakota received special emphasis during the hearing. Witnesses testifying before the subcommittee estimated that, because of the distances involved, a round trip of 350 miles or more would be required of veterans traveling from the central portion of South Dakota to a VA medical center. Because of these considerable distances, witnesses expressed strong support for the action taken by Congress to restore beneficiary travel.

Because the area served by VA facilities in South Dakota is vast and formal public transportation systems do not exist to serve all areas of the State, witnesses also testified in strong support of veterans outreach programs and the development of innovative transportation programs to serve veterans. The successful establishment of one such transportation program supported by the VA, a cooperative program providing transportation to medical centers for Native American veterans who live on Indian reservations, was highlighted.

In addition to travel related issues, the subcommittee considered additional subjects important to South Dakota veterans during the course of the hearing. Among these subjects were the need for additional nursing home care beds for South Dakota veterans, continuation of Vet Centers, the quality of care provided by VA medical centers, benefits and services for women veterans, operations of the VA Regional Office, job training for veterans and Small Business Administration services to veterans in South Dakota.

Testifying before the subcommittee were representatives of the Veterans' Administration, the Small Business Administration, the South Dakota Veterans Service Officers Association and a veteran service organization.

VETERANS' CANTEEN SERVICE

On June 23, 1988, the subcommittee conducted a hearing on the Veterans' Canteen Service (VCS). The purpose of this hearing was to provide general oversight of the VCS with special emphasis on the statutorily mandated independence of the VCS; the economic viability, financial condition, and operation of the VCS; the impacts of discontinuing the sale of tobacco products by canteens; the recently issued contract study on the elimination of canteen tobacco sales; and the contracting out of canteen food service operations under the provisions of Office of Management and Budget (OMB) Circular A-76.

The Veterans' Canteen Service was established as an independent organizational entity within the Veterans' Administration by Congress in 1946 with the enactment of Public Law 79-636. Created on the recommendation of then VA Administrator General Omar

Bradley, the VCS was established in response to increased complaints at that time concerning privately-operated concessions in VA hospitals and domiciliaries. Those complaints prompted an investigation which determined private concessionaries were exploiting veteran patients and members by charging excessive prices and generally providing unsatisfactory service.

The Veterans' Canteen Service was created by Congress for the primary purpose of making available to veterans treated in hospitals or domiciled in VA facilities, at reasonable prices, articles of merchandise and services essential to their comfort and well-being. The VCS also provides limited services to VA employees, members of the families who reside on VA grounds and relatives and other visitors of veterans who are hospitalized or domiciled in VA facilities. This includes the provision, at reasonable prices, of food services to patients, volunteers, employees and visitors.

The VCS is a financially self-sustaining, nonappropriated fund activity and VCS employees are not considered to be VA employees for purposes of any personnel ceilings which may otherwise be applied to VA employees by the President. All proceeds from canteen sales are deposited into the VCS Revolving Fund from which the VCS pays all current operating expenses, including employees salaries and wages, employee benefits, rent, utilities, maintenance and repairs, and makes long term capital investments needed to purchase equipment and inventory. More than $12 million, determined to be excess to the needs of the revolving fund, have been returned to the United States Treasury. In comparison, the VCS Revolving Fund was initially capitalized in the mid-1940's with two appropriations totaling $4.965 million.

The subcommittee has conducted two previous oversight hearings on the VCS (September 18, 1985 and September 24, 1986). This third oversight hearing was conducted because of concerns about the continued finanical viability of the VCS, the resumption of a solicitation for bids to contract out food service operations of selected canteens under the provisions of OMB Circular A–76, the functional independence of the VCS as provided by statute and other related issues.

By statute, the VCS has exclusive control over all its activities, including sales, procurement and supply, finance, including disbursements, and personnel management. According to testimony given to the subcommittee, regular reports are made by VCS employees to Department of Medicine and Surgery officials, including the Director of Administration, on VCS policies and activities, including merchandising, pricing and other matters exclusively under the control of the VCS. Regular reporting by VCS employees to Department of Medicine and Surgery officials on canteen operations and policies is clearly inconsistent with the exclusive control and operational independence provided to the Veterans' Canteen Service by Congress.

The subcommittee examined the results of a study conducted by Price Waterhouse on the implications of eliminating the canteen sale of tobacco products. According to this study, VCS profits would be significantly reduced if all canteen tobacco product sales were been discontinued. Based on Fiscal Year 1987 data, the VCS would have suffered a net loss of $4.5 million if canteen tobacco sales had

been eliminated. In comparison, the VCS realized net income of $3.62 million with canteen tobacco product sales. As confirmed by this study, VCS economic viability would be jeopardized if canteen tobacco product sales were discontinued without significant amounts of net income realized from other sources.

The Price Waterhouse study also examined the quality of life of hospitalized veterans and reported that a significant number of veterans requiring extended care could also be adversely affected by the removal of tobacco products from canteens. According to this study, if canteen tobacco sales were eliminated, hospitalized veterans would be forced to make tobacco purchases elsewhere and could be exploited by sources charging excessive prices.

Witnesses representing the Department of Medicine and Surgery testified that discontinuing canteen tobacco product sales was consistent with the goal of a smoke free medical center environment and requests to discontinue tobacco product sales in 17 canteens had already been approved. In addition, requests from 27 additional medical centers to halt tobacco sales were pending. Although canteen tobacco sales had been halted, the subcommittee learned cigarette smoking had not been prohibited in these medical centers.

The current practice of piecemeal discontinuance of the sale of tobacco products in canteens inconveniences patients, employees and visitors and can foster black market operations which exploit the very individuals the Veterans' Canteen Service was designed to assist. Further, it threatens the financial integrity of the VCS and does not eliminate smoking in medical centers as would a direct prohibition on smoking.

During the hearing, the subcommittee learned a fully operational resumption of the process for soliciting bids for contracting out canteen food service activities under the provisions of Office of Management and Budget Circular A–76 had been ordered. In the view of the Committee on Veterans' Affairs, proposals to contract out canteen activities or operations are based on the two false assumptions that government appropriations could be reduced and improved services could be provided. As already noted, the Congress appropriates no funds for the VCS. Further, contracting out of canteen activities and operations would ignore the clear lessons of history and do a disservice to veteran patients, their families and visitors as well as VA employees who utilize canteen services.

Witnesses included representatives of the Department of Medicine and Surgery of the Veterans' Administration, the Veterans of Foreign Wars of the U.S., Price Waterhouse and a panel of five Veterans' Canteen Service employees invited to present their personal views on the issues facing the VCS.

H.R. 5114, the Veterans' Health-Care Programs Amendments of 1988, as approved by the House on September 22, 1988, contained two provisions concerning the operational and functional independence of the Veterans' Canteen Service. Under these two provisions, Sections 305(a) and 305(b), contracting out, under OMB Circular A–76, of activities performed by VCS employees was prohibited as was the head of the VCS being required to report to or be supervised by any VA official other than the Administrator or the Deputy Administrator.

DEPARTMENT OF VETERANS BENEFITS

AUTOMATED DATA PROCESSING MODERNIZATION

On July 28, 1988, the Subcommittee on Oversight and Investigations held a hearing on Automated Data Processing modernization in the Department of Veterans Benefits.

Data processing was introduced to Compensation, Pension and Insurance in 1960 and in the education program in 1966. Under these programs, $16 billion are delivered to about four and one-half million beneficiaries each year. This requires the processing of grants, denials and statistical input in over 5,000,000 claims each year.

Despite costly improvements in hardware, data processing in DVB remained virtually unchanged until the conception of "TARGET" in 1972. The basic concept of the new approach was to divorce the Department from processing through less than the updating cycles each month, and to move toward on-line, real-time processing.

Unfortunately, that goal was never achieved despite the expenditure of over $150 million, and DVB currently has less processing cycles than it had in 1972. Needless to say, the $100 million did not come easily or cheaply. Instead, DVB was forced to absorb personnel losses in that amount even though they never realized savings that would justify any part of such FTEE loss.

In 1985, a study was contracted out to McManis Associates, Inc. The outcome was a decision to spend another $140 million for modernization and pay for it with a sacrifice of 1,100 additional FTEE. Fortunately, before the plan got off the ground, a study by the General Accounting Office (GAO) in August, 1986 cast serious doubts on the soundness of the planning or documented justification for the improvements.

VA then assigned to the Assistant Deputy Administrator for Management control of all agency computer planning and jurisdiction over all ADP projects of more than $50,000. New policies, procedures and guidelines for ADP systems have been promulgated and GAO's testimony at the hearing was generally favorable to the new approach.

At the hearing, the subcommittee heard testimony from GAO, the Assistant Deputy Administator for Management and the Chief Benefits Director concerning proposed improvements and new procedures for achieving them. While documentation has certainly improved, the subcommittee still has great reservations in several areas:

(1) There are no plans presented for real-time processing;

(2) While interagency exchange of data is stressed, there is no movement toward "common numbering," which is essential for such an exchange;

(3) None of the near-term projects offer significant relief in compensation and pension processing—the area of greatest need; and

(4) Planning still calls for payment in FTEE loss for data processing improvements. This is an area in which service has

already suffered grievously because of DVB's shortage of help, and further personnel losses could only aggravate the problem.

In addition to GAO and VA witnesses, the subcommittee also heard from the Paralyzed Veterans of America and the Veterans of Foreign Wars. A statement was submitted for the record by the American Legion. The subcommittee plans to monitor DVB's activity in this area closely to assure that any efforts in this regard improve rather than impair the delivery of service to veterans and their dependents.

SUBCOMMITTEE ON HOUSING AND MEMORIAL AFFAIRS

The Subcommittee on Housing and Memorial Affairs has legislative and oversight responsibility for the Veterans' Administration guaranteed home loan program, specially adapted housing benefits, the National Cemetery System, burial benefits, and the cemeteries overseas which are under the jurisdiction of the American Battle Monuments Commission.

During the 100th Congress, the subcommittee held 12 legislative and oversight hearings, 3 field hearings and attended the dedication and opening of the Battle of Normandy Museum in Caen, France [see report on page 113].

First Session

GUARANTEED LOAN PROGRAMS

The Veterans' Administration guaranteed loan program provides housing credit assistance whereby mortgage credit needs of veterans and service personnel for the purchase of homes, condominium units, and mobile homes and/or lots may be satisfied by private capital on more liberal terms than is generally available to nonveterans, without the assumption of undue risks by the Federal Government.

Assistance is provided primarily through substituting the government's guaranty on loans in lieu of the substantial downpayments, relative short terms, and other investment safeguards applicable to conventional mortgages.

This has been a highly successful program and, since its inception in 1944, veterans have received over 12.5 million home loans amounting to approximately $318 billion.

In 1987, VA guaranteed 479,491 loans at $34.9 billion.

Mortgage delinquencies and foreclosures, however, have been steadily growing as the result of the recessionary period experienced by the country in the early 1980's. This has resulted in a tremendous drain on the loan guaranty revolving fund.

An oversight hearing was held on April 9, 1987, to examine the operation of the home loan program from every perspective.

Testimony was received from a wide variety of witnesses, focusing on topics ranging from appraisals and homeless issues to rehabilitation of foreclosed properties and increased loan servicing.

A continuation of the oversight hearings was held on April 22, 1987. Witnesses described their perception of the overall scope and design of the home loan program, emphasizing its strengths and weaknesses from a policy perspective. Some of the areas which were addressed were underwriting, foreclosure policies and property management. Recommendations were sought for improvements and innovations. The different perspectives presented were most beneficial and laid the foundation for a major housing reform bill passed later in the year.

On May 13, 1987, the subcommittee held a hearing on the General Accounting Office's review of the home loan program.

The review indicated that VA has reduced its losses, as the Deficit Reduction Act intended, by leaving more properties and potential losses with lenders. However, the debt of the veterans who de-

fault on their loans has increased. The extent of servicing provided to veterans varied among the offices visited, and none of the offices voluntarily notified veterans of all the financial assistance options available to cure their defaulted loans.

GAO concluded that VA can improve its acquisition process and practices to reduce losses by avoiding unnecessary delays in acquiring property, encouraging additional bidding at foreclosure sales, and reducing the costs of obtaining title policies on acquired properties.

Finally, GAO found little evidence that the Houston office has provided adequate loan servicing to prevent foreclosures.

On June 24, 1987, the subcommittee held a hearing on H.R. 2672, the Veterans' Housing Rehabilitation and Program Improvement Act of 1987.

H.R. 2672, introduced on June 11, 1987, is a composite of many of the views expressed by witnesses appearing at the aforementioned hearings. It focused on improved servicing of delinquent loans, changed the loan guaranty structure, addressed the VA's property inventory and subsequent property disposition and made other significant improvements to assist veterans in obtaining—and keeping—quality, affordable housing.

NATIONAL CEMETERY SYSTEM

The National Cemetery System was established within the Veterans' Administration in accordance with the National Cemeteries Act of 1973 (Public Law 93-43) enacted June 18, 1973. The system, at the present time, consists of 112 cemeteries and is administered by the Department of Memorial Affairs.

The basic mission of the Department of Memorial Affairs is threefold: first, to provide, upon request, for the interment in any national cemetery with available grave space the remains of eligible deceased veterans (together with their spouses and certain dependents) and to permanently maintain these graves; second, to mark graves of eligible personnel in national and State cemeteries, and in private cemeteries upon proper application; and third, to administer the State Cemetery Grants Program, which provides financial assistance on a 50-50 basis to States that wish to establish, improve, or expand their State veterans' cemeteries.

The regional cemetery concept was adopted in 1973 in an effort to establish an interim method of system expansion. According to an informal study conducted by the Veterans Administration in 1984, the present structure of the National Cemetery System will not be sufficient to provide access to burial benefits for the veteran community to the degree which is consistent with the commitments, obligations and responsibilities incumbent upon the Veterans' Administration. The VA suggested a program of prudent expansion—national cemeteries in areas with large concentrations of veterans. Public Law 99-576 therefore gave the Administrator the authority to establish cemeteries in the 10 areas of the country identified by the VA as being most in need of a national cemetery based upon veteran demographics. This law also required the Veterans Administration to install upright markers in national cemeteries.

On July 1, 1987, the subcommittee held a hearing on the implementation of this new law as well as legislation to exempt the cemetery section adjacent to the Wood, Wisconsin VA Medical Center from compliance with the upright marker policy; a proposal, H.R. 1999, to authorize the Administrator to make contributions for construction projects on land adjacent to national cemeteries in order to facilitate safe ingress or egress; a proposal, H.R. 1987, to designate the area of Arlington National Cemetery where the remains of unknown servicemembers are interred as "Tomb of the Unknowns".

The subcommittee also received testimony on the use of graveliners in national cemeteries and on the use of garden niches for interment of cremated remains. Legislative provisions on both of these issues were subsequently included in H.R. 2957.

AMERICAN BATTLE MONUMENTS COMMISSION

Another agency over which the subcommittee has jurisdiction is the American Battle Monuments Commission. The primary missions of the American Battle Monuments Commission are to commemorate the services of American military forces where they have served since the entry of this country into World War I; to build and maintain permanent U.S. military burial grounds on foreign soil; to control the design and construction of U.S. military monuments overseas; and to encourage adequate maintenance of such memorials by their sponsors.

At a hearing on July 1, 1987, the ABMC testified with regard to the impact of foreign currency exchange rates on their operations. From 1979 to 1984, when dollar exchange rates were appreciating in Europe, a surplus in funds appropriated developed. ABMC was able to utilize the surplus funds generated to replace worn out equipment, restore stocks of spare parts, and initiate maintenance projects that had previously been deferred because of lack of funds. Late in 1985, however, the U.S. and certain allies took steps to reduce the value of the dollar, in order to make American goods more competitive. The resulting depreciation of the dollar severely impacted ABMC operations, as over 90 percent of its appropriation is expended overseas.

In order to mitigate the adverse impact of declining dollar values on ABMC operations abroad, the subcommittee considered H.R. 2957 to establish a foreign currency fluctuation account, similar to those which have been set up for the State Department and Department of Defense. Using this type of account, transactions in foreign countries utilize the budgeted rate of exchange as the standard for obligations. If the exchange rate at the time of purchase is higher than the budgeted rate, the difference is deposited into the account. If, on the other hand, the exchange rate is lower, the necessary additional funds may be withdrawn from the account.

Field Hearings

Greenville, South Carolina. On May 29, 1987, the subcommittee held a field hearing on the operation of the VA Home Loan Guaranty Program in the State of South Carolina. The purpose of the

hearing was to discuss the operation and management of the program at the local level, where it is most important.

Houston, Texas. On July 31, 1987, the subcommittee held a hearing to discuss the VA's home loan guaranty program in Texas—and particularly in Houston. Approximately 25 percent of the foreclosures resulting from guaranteed loans are occurring in the Texas area—70 percent of which occur in the Houston area alone. Testimony was received on the reasons as well as remedies which were being sought. Comments were also received concerning legislation recently proposed which attempted to address some of the program's problems: more effective servicing when a loan goes into default; establishment of a mortgage relief program targeted to veterans who have experienced default through no fault of their own; and modification of the VA's property acquisition guidelines.

Shorewood, Illinois. The subcommittee held a hearing on September 25, 1987, to discuss the operation of the VA home loan guaranty program and the need for a national cemetery in the State of Illinois. Attention was focused on the amount of loan activity in Illinois, how timely the workload is processed and foreclosed properties. Since a recent study conducted by the VA targeted the Chicago area as one of the major areas in the country that could best be served by a new national cemetery, comments were heard on feasibility as well as potential locations.

Second Session

HOME LOAN GUARANTY PROGRAM

Prior to the implementation of Public Law 100-198, the most major veterans' housing reform bill since the inception of the Home Loan Guaranty Program, the loan guaranty revolving fund faced serious monetary deficiencies and the fund would have been depleted without supplemental appropriations.

On March 17, 1988, the subcommittee held a hearing to explore options which could solve the financial problems of the program. Some of the suggestions offered by witnesses were renting foreclosed properties as an alternative to selling homes at a loss in distressed areas, efficiency in program management, mortgage insurance, sound appraisals and a shared equity proposal.

Although the Revolving Fund received a substantial supplemental appropriation which allowed the ongoing operation of the program, the subcommittee did not stop focusing on the solvency of the Loan Guaranty Program. The program was not necessarily intended to be totally solvent in a business sense since it is an entitlement program, but the subcommittee concurred that this should not preclude the program from operating in a fiscally prudent manner. During the past 5 fiscal years, the revolving fund has received over $1.7 billion in external financing; nearly $1 billion of this was needed in fiscal year 1988 alone. Therefore, on June 16, 1988, the subcommittee continued to discuss revenue enhancement initiatives which were designed to insure that the program continues to be a veterans' benefit. The two main proposals which were discussed were:

(1) the collection of an indemnity fee of 1.25 percent from veterans, accompanied by a similar government contribution to a special

account. Veterans would be relieved of liability to the VA in the event of foreclosure and excess funds in this special trust fund would be invested; and

(2) a shared equity proposal by which veterans who make a profit at the time of sale of their property would share a part of the proceeds with the federal government.

Subsequently, the mortgage indemnity proposal was incorporated into the provisions of H.R. 5221, which passed the House on September 26, 1988.

On September 7, the subcommittee held an oversight hearing on the implementation of Public Law 100-198, the Veterans' Home Loan Program Improvements and Property Rehabilitation Act of 1988, which was signed into law on December 21, 1987. Unfortunately, regulations had not yet been written on some of the major provisions of the bill and following this hearing, the subcommittee wrote a letter to the Veterans Administration urging that this be done as soon as possible.

National Cemetery System

STATE CEMETERY GRANT PROGRAM

In 1988, the subcommittee continued to assess the National Cemetery System in terms of future expansion and on May 26, 1988, held a hearing on the status of the four environmental impact studies currently underway, the VA's policy study, workload and possible ways to improve cemetery efficiency. The subcommittee also received a briefing on the operation of Arlington National Cemetery.

The subcommittee also focused on legislation to extend the State cemetery grant program authorized by Public Law 95-476. This federal grant program is administered by the VA Department of Memorial Affairs to aid States in the establishment, expansion and improvement of veterans' cemeteries. The primary purpose of the program is to assist the States to provide gravesites for veterans in those areas where national cemeteries cannot fully satisfy the burial needs of veterans. The program is intended to complement the VA National Cemetery System.

The subcommittee was advised that the VA has made a continuous and aggressive effort to publicize the program over the last several years. Thus far, 12 States, and the Territory of Guam have been awarded grants totaling $10.5 million. In total, 18 States have submitted 38 applications for assistance in acquiring land for or improving facilities at 27 cemeteries totaling $24.2 million.

An additional 30 States have expressed an interest in the program. The subcommittee subsequently reported legislation to extend the program for an additional four years.

WORLD WAR II VETERANS' MEMORIAL AND MUSEUM

Over 16 million Americans served in the Armed Forces of the United States during World War II, with over 400,000 making the ultimate sacrifice in defense of freedom around the world. There were more Americans killed or wounded in this war than in any other war or conflict. There is currently a memorial to honor Viet-

nam veterans and a memorial to recognize Korean Conflict veterans has been initiated. Yet there is no single national memorial to pay tribute to World War II veterans.

On April 21, 1988, the subcommittee held a hearing on legislation that would direct the American Battle Monuments Commission to establish a memorial and museum on Federal land in the District of Columbia or its environs to honor members of the Armed Forces who served in World War II and to commemorate United States participation in that conflict.

It was stated that there are cemeteries and memorials for the American Dead of World War II from the Far East to Europe, but there is no single national memorial for the greatest armed conflict in which this nation has been involved in the 20th Century, where the choice between democracy and tyranny was crystal clear. Witnesses also made suggestions on how to amend the bill and many of these were incorporated into the reported bill, H.R. 3742.

FOREIGN TRAVEL

MONTGOMERY CONGRESSIONAL DELEGATION TO HAWAII, GUAM, PALAU AND THE REPUBLIC OF THE PHILIPPINES

In a letter dated February 19, 1987 to the Chairman of the Committee (Mr. Montgomery), Mr. Charles E. Joeckel, Jr., Executive Director of the Washington Headquarters of the Disabled American Veterans (DAV), expressed concern about the condition of various monuments and shrines in the Philippines honoring the memory of America's former prisoners of war and thousands of American and Philippine veterans who suffered and died on Corregidor, Bataan and other surrounding islands during World War II. The DAV proposed that the Chairman of the Committee lead a delegation to the Far East to inspect various sites, including the Pacific War Memorial located on the Island of Corregidor, and to meet with Philippine Government officials to discuss ways in which our two governments could work together to restore the memorial on Corregidor and the surrounding area to a place of dignity and respect. To that end, the DAV expressed its willingness to contribute toward the maintenance of the memorial.

On February 20, 1987, Chairman Montgomery announced plans to visit the Far East during the week of April 11–18 for the purpose of evaluating programs and services administered by the Veterans Administration (VA), the American Battle Monuments Commission (ABMC) and the Department of the Army in Hawaii, Guam and the Republic of the Philippines. During the trip, the Delegation toured Fort DeRussy, the Tripler Army Medical Center and the National Cemetery at the Punchbowl in Hawaii, and met with a group of veterans in Guam. While in the Philippines, the group met with President Corazon Aquino and other government leaders to discuss the restoration, operation and maintenance of the Pacific War Memorial on Corregidor; visited the memorial on Bataan, administered by the Philippine government; and met with the staff of the VA Regional Office to discuss programs and services administered by the VA in the Philippines.

Accompanying the Chairman on the mission were Veterans' Affairs Committee members J. Roy Rowland of Georgia and Claude Harris of Alabama. Three members of the Disabled American Veterans accompanying the Delegation were Kenneth G. Musselmann, National Commander; Dale Adams, National Adjutant; and Charles Joeckel, Executive Director of the Washington Office.

Also accompanying the Delegation to Hawaii and Guam were Congressman Ron de Lugo, Chairman of the Subcommittee on Insular and International Affairs of the House Committee on Interior and Insular Affairs, and Congressman Robert J. Lagomarsino, Ranking Minority Member of the subcommittee. The purpose of the Interior mission was to examine the prospects of approval by the Republic of Palau of the Compact of Free Association which was conditionally approved by the United States in Public Law 99–658. Congressman de Lugo's group left the Delegation in Guam, but

again joined the Delegation in Palau upon its return flight to the United States.

The Delegation's complete report is contained in House Committee Print No. 6, dated May 18, 1987.

Report on the Dedication of the Memorial of the Battle of Normandy—A Museum of Peace—Caen, France

To commemorate the D-Day effort and the Allied sacrifices during the summer of 1944, which resulted in the liberation of Europe, the people of France in cooperation with 12 other Allied Nations built a Memorial Museum of Peace in Caen, France. The museum, which comprises 37 acres, is situated on the plot of land around which some of the worst fighting took place. It is also directly over the underground bunker headquarters of General Von Richter, Commander of the 716th German Infantry Division.

In acknowledgment of this memorial museum, the Congress approved S.J. Res. 356 (Public Law 99-378), recognizing and supporting the efforts of the United States Committee for the Battle of Normandy Museum of Peace to encourage American awareness and participation in development of a memorial to the Battle of Normandy.

In observation of the dedication and official museum opening at which representatives from 13 Allied nations attended, the Honorable Marcy Kaptur led a Congressional Delegation (CODEL) of 5 Members to represent the entire House of Representatives at the dedication of the Battle of Normandy Museum of Peace in Caen, France during June 4-8, 1988.

The presence of the Members at the dedication ceremony served as a living tribute to those heroic individuals who successfully completed an impossible task in the struggle for freedom in the 20th Century. The museum is a powerful reminder of the price of freedom and the fragility of peace on earth.

There follows a brief background on D-Day.

On June 6, 1944, a military force of 153,000 American, British, and Canadian soldiers launched the most massive assault and land battle of its kind ever attempted in the history of the world. The goal was the liberation of Europe and the preservation and restoration of freedom and dignity in the western world. The battle was to last 76 days—the longest in history. At stake was more than the fate of 400 million people already under Nazi oppression. Ultimately, the freedom of humankind hung in the balance.

The D-Day assault and amphibious landing involved 5,000 naval vessels and 11,000 sorties of Allied aircraft. Three divisions of airborne troops, the 82nd and the 101st of the United States and the 6th of Britain, dropped inland and captured key points which German reinforcements were prevented from using.

The loss in both men and material was high. American casualties at Normandy totaled 127,000, including 31,000 killed.

Few events have had such a resounding impact on the course of world history. The D-Day invasion was massive, brilliant and successful. We owe our liberty to our servicemen and Allies for their courage and extraordinary efforts in bringing about the defeat of

Hitler's armies. This battle was the turning point of the war in Europe, unrivaled in its intensity, bitterness and tragedy.

In conclusion, the delegation was most impressed with the museum. The Committee will be moving forward to create a WWII memorial and museum in the Washington, DC area so that future generations may be given the opportunity to understand the roots of America's freedom, the price that has been paid for our liberty and the challenges to world peace that exits today.

The official report on this trip is contained in House Committee Print No. 16.

OTHER ACTIVITIES OF THE COMMITTEE

REPORT ON THE BUDGET FOR FISCAL YEAR 1988

On February 3 and 4, 1987, the Full Committee held hearings on the proposed budget for the Veterans' Administration for Fiscal Year 1988. During these hearings, the Committee received testimony from the Veterans' Administration, veterans service organizations, and from several directors of VA facilities. Two weeks later, the Committee met and marked up its proposed report to the Budget Committee, which was then transmitted to that committee on February 25, 1987. The Committee rejected the Administration's proposals to transfer funding of the Montgomery GI Bill to the Department of Defense, rescind $75 million in funds appropriated for veterans' health care, increase the fee paid by veterans obtaining GI home loans from 1 to 2½%, and reduce the VA's ability to provide health care in the future.

The Committee recommended additions to the President's proposed budget as follows:

(1) $289 million for VA medical programs to provide a current services budget;
(2) $18 million for design or construction of four nursing homes;
(3) $15 million to enhance the VA's domiciliary program to provide more care for the nation's homeless veterans;
(4) $60 million to continue the VA's Veterans Job Training Program;
(5) $10 million to allow the VA to administer its benefit programs on a timely basis;
(6) $30 million for treatment of veterans with AIDS, and $5 million for AIDS research; and
(7) $25 million for a computer-supported, cost-based resource allocation program.

The Committee noted its concern that overall expenditures for veterans programs continue to decline as a percent of the Federal budget. Noting that over the past several years, a number of veterans programs had been reduced or eliminated to help reduce the deficit, the Committee recommended an increase above the Congressional Budget Office (CBO) baseline of approximately $250 million in budget authority in order to reverse declines in levels of services and to meet the increased demand for VA health care. The Concurrent Resolution on the Budget for Fiscal Year 1988 provided for veterans benefits and services to be funded at the CBO baseline, $27.9 billion in budget authority, and $27.35 billion in outlays.

The Veterans' Affairs Committees of the House and Senate were instructed to report measures which reduced budget authority and outlays in programs under their jurisdiction by $50 million in fiscal year 1988. Subsequent to House action on this reconciliation measure (H.R. 3545), the fee on VA home loans expired; in extending the fee for 90 days, the Congress also enacted legislation (P.L. 100–136) which prohibited the VA from selling its loan assets without repurchase agreements unless it received the full face value of the loan. Subsequently, when the President and Congressional leaders reached agreement on the budget for fiscal year 1988 (the Budget

Summit Agreement), it was agreed to repeal this part of P.L. 100–136 and to extend the VA loan fee through the end of fiscal year 1989. CBO estimated the savings from enactment of these two legislative items and a change in the percentage of foreclosed homes sold without VA financing to be almost $900 million in fiscal year 1988 and over $900 million in 1989, for a two year total of $1.8 billion.

Report on the Budget for Fiscal Year 1989

On March 2 and 3, 1988, the Full Committee held hearings on the Administration's proposed budget for fiscal year 1989 for activities under the Committee's jurisdiction and received testimony from the Veterans' Administration and veterans service organizations. On March 10, 1988, the Committee met and ordered reported to the Committee on the Budget its views on the appropriate level of funding for veterans functions in fiscal year 1989. In its report, the Committee noted that the VA was not able to meet in a timely manner the demands of veterans seeking health care and other VA benefits. The percentage of compensation claims completed within 90 days declined from 41.5% in fiscal year 1982 to 30.9% in fiscal year 1987, a decline which the Committee attributed to the decline over the same period from 4,832 to 3,684 in the number of persons employed to process such claims. Similar problems in handling work in a timely manner were also noted throughout the Department of Veterans Benefits due to a steadily declining workforce. The Committee recommended an additional $54 million in order to permit staffing in the Department of Veterans Benefits to increase to a total of 13,300, as well as a modest increase in the staffing of the Department of Memorial Affairs to keep pace with increased workloads.

With respect to the budget for the Department of Medicine and Surgery, the Committee noted that the Administration's budget was regressive in terms of meeting the expected health care needs of eligible veterans. By providing for an overall increase from the previous fiscal year of only 2 percent, the budget would force the Veterans' Administration to deny treatment to certain veterans. The proposed budget also failed to account for increased resource demands created by veterans requiring treatment for AIDS, new facility activations, the need to identify and provide appropriate treatment to homeless veterans, and the need to provide extended care to aged and infirm veterans. The Committee also noted that the budget for capital investment for equipment and facilities was far short of that needed for a health care system which is expected to have an increasing demand for services from now until well into the 21th Century. The Committee recommended an additional $489.7 million and 4,807 FTEE for the VA's medical programs.

The concurrent budget resolution adopted by the Congress for fiscal year 1989 rejected the Committee's recommendations for spending levels above the CBO baseline. In addition, the resolution recommended cuts of $350 million in budget authority and $200 million in outlays below the CBO current services baseline. It assumed absorption of the costs of an employees salary increase and imposed additional reductions in non-entitlement programs.

STATISTICAL DATA—WAR VETERANS AND DEPENDENTS

(As of October 1, 1988)

American Revolution (1775–1784)

Participants	290,000
Deaths in service	4,000
Last veteran died Apr. 5, 1869	Age 109
Last dependent died Apr. 25, 1911	Age 90

War of 1812 (1812—1815)

Participants	287,000
Deaths in service	2,000
Last veteran died May 13, 1905	Age 105
Last dependent died Mar. 12, 1946	Age 89

Indian Wars (Approx. 1817–1898)

Participants	106,000
Deaths in service	1,000
Last veteran died June 18, 1973	Age 101

Veterans and Dependents on Compensation and Pension Rolls

Surviving spouses	6
Children	3

Mexican War (1846–1848)

Participants	79,000
Deaths in service	13,000
Last veteran died Sept. 3, 1929	Age 98
Last dependent died Nov. 1, 1962	Age 94

Civil War (1861–1865)

(Confederate)

Participants	*1,000,000
Deaths in service	*133,821
Last Confederate veteran died Mar. 16, 1958	Age 112

(Union)

Participants	2,213,000
Deaths in service	364,000
Last Union veteran died Aug. 2, 1956	Age 109

Veterans and Dependents on Compensation and Pension Rolls

Surviving spouses	10
Children	48

Spanish-American War (1898–1902)

Participants	392,000
Deaths in service	11,000
Living veterans	1

VETERANS AND DEPENDENTS ON COMPENSATION AND PENSION ROLLS

Surviving spouses	3,683
Children	702
Veterans	[f] 1

WORLD WAR I (1917–1918)

Participants	4,744,000
Deaths in service	116,000
Living veterans	114,000

VETERANS AND DEPENDENTS ON COMPENSATION AND PENSION ROLLS

Parents	18
Surviving spouses	220,045
Children	12,188
Veterans	32,044

WORLD WAR II (Sept. 16, 1940–July 25, 1947)

Participants	[a] 16,535,000
Deaths in service	406,000
Living veterans	[b c] 9,444,000

VETERANS AND DEPENDENTS ON COMPENSATION AND PENSION ROLLS

Parents	23,821
Surviving spouses	421,460
Children	38,176
Veterans	1,407,216

KOREAN CONFLICT (June 27, 1950–Jan. 31, 1955)

Participants	[a] 6,807,000
Deaths in service	55,000
Living veterans	[b c e] 4,960,000

VETERANS AND DEPENDENTS ON COMPENSATION AND PENSION ROLLS

Parents	9,108
Surviving spouses	69,740
Children	15,398
Veterans	306,538

VIETNAM ERA (Aug. 5, 1964–May 7, 1975)

Participants	[c] 9,200,000
Deaths in service	109,000
Living veterans	[b e] 8,277,000

VETERANS AND DEPENDENTS ON COMPENSATION AND PENSION ROLLS

Parents	14,767
Surviving spouses	67,035
Children	37,287
Veterans	660,631

AMERICAS WARS TOTAL THROUGH OCT. 1, 1988

** Participants	38,290,000
Dealths in service	1,081,000
Living war veterans	21,268,000
Living ex-service members	27,279,000

TOTAL VETERANS AND DEPENDENTS

ON COMPENSATION AND PENSION ROLLS

Parents	[i] 54,725
Surviving spouses	[j] 825,701
Children	[h] 117,938
Veterans	[g] 2,804,426

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* Authoritative statistics for Confederate forces not available. Estimated 28,000 Confederate personnel died in Union prisons.

** Persons who served in more than one war period are counted as participants only once.

[a] Includes 1,476,000 who served in both World War II and the Korean conflict.

[b] Includes 269,000 who served in World War II, the Korean conflict, and the Vietnam era.

[c] Includes 649,000 who served in both World War II and the Korean conflict.

[d] 887,000 served in the Korean conflict and the Vietnam era.

[e] Includes 339,000 who served in both the Korean conflict and the Vietnam era.

[f] The only living Spanish-American War veteran receives benefits under World War II.

[g] Includes 397,937 peacetime veterans with service between January 31, 1955 and August 5, 1964; peacetime veterans with service beginning after May 7, 1975; 39 World War I Retired Emergency Officers and 3 Peacetime Special Acts.

[h] Includes 14,117 children of deceased peacetime veterans.

[i] Includes 7,011 parents of deceased peacetime veterans.

[j] Includes 43,242 surviving spouses of deceased peacetime veterans.

NOTE: Figures on the number of living veterans reflect final 1980 Census data and include only veterans living in the U.S. and Puerto Rico. May not add to total shown due to rounding.

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